



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

Annual Report 2012/13

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 2013



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

Contract for the Provision of Court Security and Custodial Services

Annual Report 2012/13

TO THE MINISTER

Hon Joe Francis 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 2012/13 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 2012 to 30 July 2013.

A handwritten signature in black ink, appearing to read 'Heather Harker'.

Heather Harker
A/Commissioner
Department of Corrective Services

30 September 2013

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1. From the Commissioner

The 2012/13 reporting year was characterised by both achievement and consolidation. The carrying out of court security and custodial services in Western Australia underwent fundamental change during the previous year, and this year 2012/13 has witnessed the fruits of this change. The Department seized the opportunity to re-vitalize and significantly improve both the Contract itself, and the mechanisms governing the deployment of services throughout the State.

Improvements made to service design, governance, performance objectives, and sourcing of the services provided under the Contract have now been transitioning steadily through the system. This suite of improvements and innovations includes:

- 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.
- Development of an online information system for the accurate collection and sharing of data.
- An improved information system regarding the tracking of persons in custody.
- Improvements in the collation and integration of intelligence, including health or 'at risk' information.
- Improved Duty of Care considerations.
- Higher levels of training for contracted employees.
- The successful transfer of the Secure Vehicle Fleet from the State 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.

The above changes, designed and led by the Department of Corrective Services, included valuable contributions from the Department of the Attorney General, the Western Australian Police, and key stakeholders.

The re-designed Contract was advertised as a public tender, awarded to Serco Australia Pty Ltd in 2011, and has been implemented successfully since then.

Specific areas of achievement are outlined in the Executive Summary following and, in greater detail, throughout this Annual Report.

A significant amount of change has been made to the Contract in the past two (2) year 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 commend the professionalism of the Contracted Services Directorate and their commitment to ensuring the delivery of first class services at cost-effective rates to the State.

I also look forward to continued collaboration with the Contractor, Serco Australia Pty Ltd, in ensuring high quality delivery of court security and custodial services throughout Western Australia.

A handwritten signature in black ink, appearing to read "Heather Harker", with a long horizontal flourish extending to the right.

Heather Harker
A/Commissioner
Department of Corrective Services

2. Executive Summary

This Annual Report of the Contract for the Provision of Court Security and Custodial Services ('the Contract') covers the period 31 July 2012 to 30 July 2013 inclusive, and it covers the second service year with the current Contractor, Serco Australia Pty Ltd.

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 flexibility for growth and reduction in demand, through the approved increase or decrease of specified service volumes. It also provides for greater price certainty despite any demand variability.

Under the new Contract the Contractor is 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 to be deployed across the State. It is a requirement of the Contract that these officers be trained to a higher level than previously, which is expected to flow through to a better quality service. Major steps have been taken in achieving this requirement during 2012/13.

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 is now 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 are now cleared within 24 hours under the new Contract, as opposed to the 72 hour clearing period that formerly applied. This has been implemented, and is working well. Greater use is also being made of air transport for regional prisoner movements.

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

The Department has significantly improved its governance of the Contract through the above initiatives. In addition, it has continued the work of the Monitoring Team with its reviews of court security and custodial services State-wide. This is resulting in greater scrutiny of service delivery and enabling the Department to identify issues in a timely manner, and seek prompt remedy from the Contractor when issues of concern arise.

The Contract now has an even greater focus on services being carried out to the highest levels, within set timeframes, and with a high degree of duty of care. The monitoring processes established, and the Abatement Regime, will ensure these high levels of service delivery are maintained throughout the State.

Key Areas of Focus and Achievements for the Contract Management Team during the service year 2012/13 were:

- The establishment of the Canning Vale Purpose-built Base. The move from Hakea to a purpose-built facility for vehicles and staff has been completed, resulting in an improvement to the general efficiency of operations.
- The Broome to West Kimberley Regional Prison inter-prison transportation variation was successfully negotiated and came into effect 1 October 2012. This variation resulted in a scheduled service between Broome Regional Prison and West Kimberley Regional Prison.
- Regional Police Station Hubs – 24 hour Lock-up Clearances. The previous 72 hour clearance system has been successfully replaced by 24 hour clearances. This also succeeds in releasing valuable Police resources back to frontline activities.
- The Variation to include an additional prisoner transport service between Broome Regional Prison and Wyndham Work Camp was successfully negotiated by incorporating a deviation to the existing contracted Kununurra lock-up clearance. This variation came into effect 1 October 2012.
- The Regional Medical and Funeral Transport Pricing Table Variation was successfully negotiated and came into effect 1 September 2012. The Variation retained a fixed service fee for low distance, high volume movements, and allowed for greater discretionary use of funds to respond to specific service needs for more efficient Long Distance Movements.
- The East Perth Watch House was de-commissioned on 31 May 2013, and replaced by the new Perth Police Complex in Northbridge. Daily transfers to metropolitan courts continue to be conducted by the Contractor from the new complex. The Saturday Magistrate's Court also moved to the new complex.
- Improvements have been secured through the increased use of new technologies to reduce unnecessary transport of persons in custody (via audio-visual and video link) for court appearances. This has resulted in almost 68% of warrants for court being carried out by video link, with the concomitant reduction in transport costs. Without the utilisation of video link there would be a greater increase in service demand for persons in custody to attend Court.

Significant work has gone into securing improvement in the way the Contract is governed and the manner in which services are provided and delivered. The Contract Management Team strives to meet these challenges in a positive and forward-looking manner.

The 2013/14 Contract year will be one of further consolidation, and it will present opportunities to refine mechanisms underpinning the Contract for the Provision of Court Security and Custodial Services. It will also present opportunities to develop methods of service delivery that are more innovative and efficient.

3. 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 (5) year period, with options for two (2) further three (3) 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 (5) year contract term in 2005, the first option to extend the Contract for three (3) 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 (2) 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 (3) 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.

4. Transportation Services – Movement of Persons in Custody

4.1 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 ¹
Inter-prison Transfers	6,132	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 an increase of 14.9% in movement of prisoners during 2012/13.
Court to Prison	6,748	Court to Prison movements have remained constant. Prison to Court movements decreased slightly by 0.2% during 2012/13.
Prison to Court	8,138	
Medical Appointments	4,882	Scheduled and unscheduled medical appointments have increased by 15.7% during 2012/13.
Funerals	263	Funeral movements have decreased by 33.1% during 2012/13.
Day Admissions	165	These services are for prisoners who are admitted to hospital for surgical or other procedures. This figure indicates a 23.1% increase on that of the previous year.
Prison to Hospital	197	Prison to Hospital movements have increased by 7.1% during 2012/13.
Hospital to Prison	242	Hospital to Prison movements have increased by 11.5% during 2012/13

Increases and decreases in percentages for Table 1 are calculated between the numbers provided for each service in the 2011-2012 annual report and the numbers provided for service in the 2012-2013 annual report.

Lock-up Clearance (Metropolitan and Regional)	8,346	<p>Using data provided by Serco, lock-up clearance numbers have increased from the previous service year by 31.6%. Note: While this is a significant increase, the previous annual report data was collated from the Total Offender Management System (TOMs) and it has since been identified that a large number of lock-up clearances had not been captured on TOMs.</p> <p>For regional areas, this service clears Persons in Custody from 24 WA Police Hub locations to local regional Prisons. This service requires Persons in Custody being cleared within 24 hours' notice.</p> <p>During this period Lock-up clearances from metropolitan areas for Persons in Custody were cleared from the East Perth Lock-up and subsequently from the Perth Police Complex (Northbridge) from 17 June 2013.</p>
Visits	39	These services include visits to ill relatives and other approved escorts. This figure has decreased 18.8% during 2012/13.

A total of 35,152 persons in custody were transported by various means (air, coach, secure vehicle, or other vehicles) during the 2012/13 service year. This is an increase of 1,485 Persons in Custody movements on the previous year.

The East Perth Watch House was de-commissioned on 31 May 2013, and replaced by the new Perth Police Complex in Northbridge. Daily transfers to metropolitan courts continue to be conducted by the Contractor from the new complex. The Saturday Magistrate's Court also moved to the new complex.

Figure 1. Monthly Contracted Transport Services

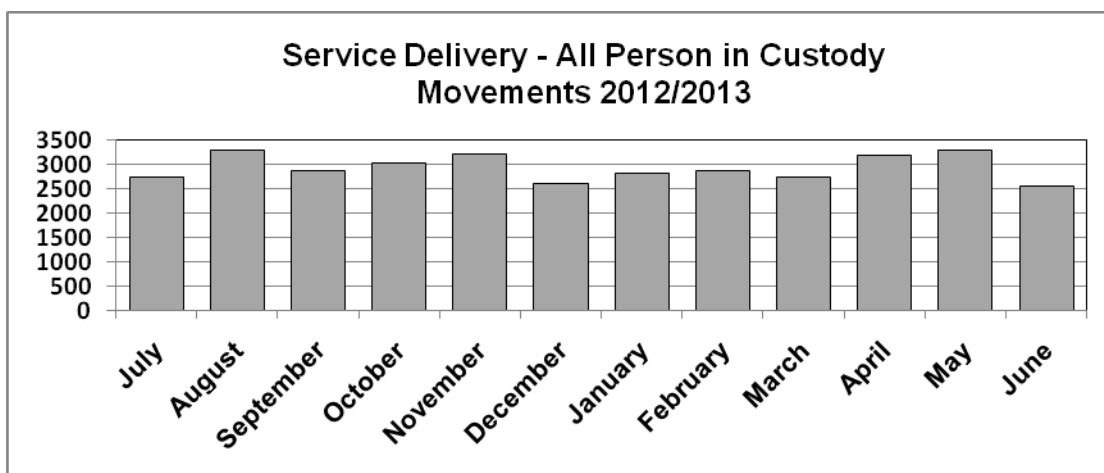
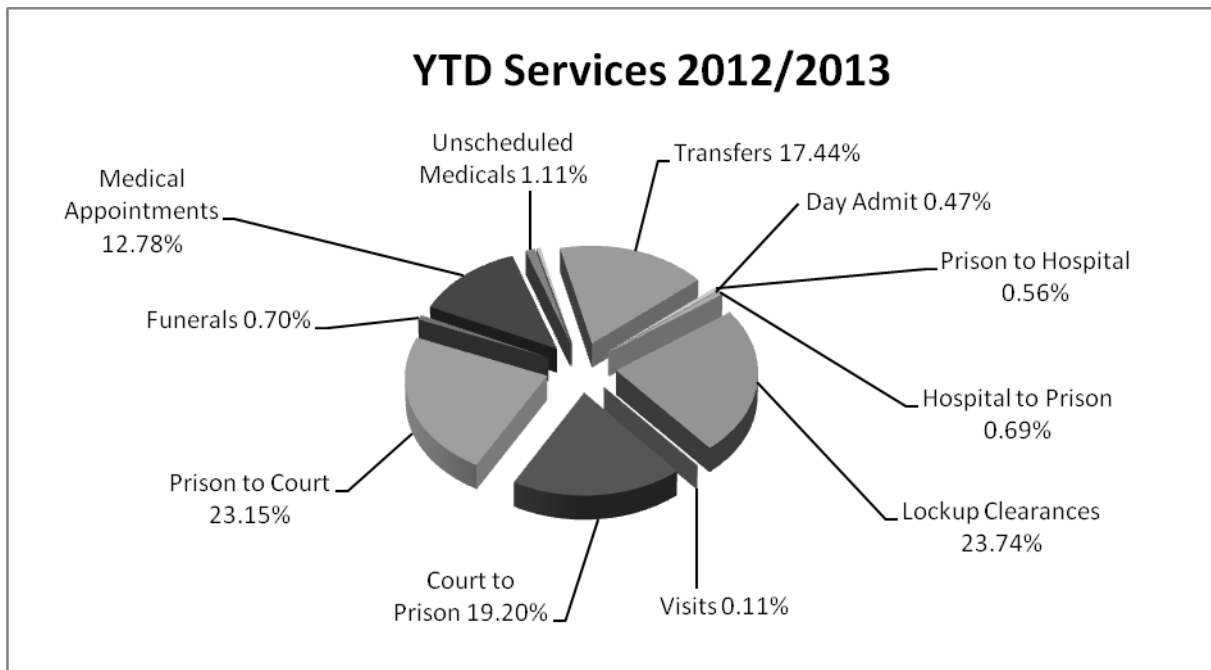


Figure 2. Annual Service Delivery of each Contracted Transport Service



b. Total Expenditure – Custody Movement Services

The total cost of providing Custody Movement Services in 2012/13 for metropolitan and regional areas was \$32,069,811.

The 2012/13 cost of movement services includes the provision, of air charter, coach movements, Police Lock-up Hub Clearances within 24 hours, and the cost of maintaining and managing the Secure Vehicle Fleet.

4.2 Deaths of Persons in Custody

The Contract provides for the Contractor Serco to manage persons in custody while they are admitted to hospital, and these services are referred to as Hospital Sits. During this reporting period, six persons in custody died of apparent natural causes during a Hospital Sit facilitated by the Contractor. These deaths are subject to the provisions of the *Coroners’ Act 1996*, and are referred to as deaths in custody.

4.3 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 deployment of the tablets to secure vehicles in metropolitan areas is complete, and will be followed by use of the tablets in all regional areas and on flights and long-haul vehicles. The Department will have access to custom reports and live data feeds via a portal which, it is anticipated, will be available during the first quarter of the 2013 financial year. Training for key Departmental and Department of the Attorney General staff in the use of this portal will have commenced as of August 2013.

4.4 Secure Vehicle Fleet

The Department transferred 32 of its Secure Vehicle Fleet to the Contractor at the commencement of the Contract at an agreed price. A further two (2) vehicles were subsequently loaned to the Contractor during the first year of the Contract. These extra vehicles have since been returned to the Department.

The Contract (*Schedule 6, Para 4.7*) states, 'The Contractor is required to have a secure escort vehicle replacement strategy and shall not use a secure escort vehicle (chassis) older than five (5) years or greater than the manufacturer's warranty period or a secure escort vehicle pod older than ten (10) years old.'

The Contractor is aware that the first of the secure escort vehicles in their current fleet will be five (5) years old in the second quarter of 2014. The Contractor has commenced the formulation of a secure vehicle replacement strategy to meet its Contractual requirement not to use vehicle chassis older than five (5) years.

In addition, the Contractor has purchased a purpose built vehicle for the transportation of disabled people in custody using wheelchairs or those requiring special care. While this is not a secure escort vehicle, it has led to a reduction in the use of maxi taxis, which were previously used for such situations. This has also resulted in improved response times to requests for transports of this nature.

4.5 Increased Use of Video Links to Courts

The Department continues to focus on reducing unnecessary prisoner movements by collecting data, identifying strategies and managing the effects of new processes in this area. The Department has continued 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.

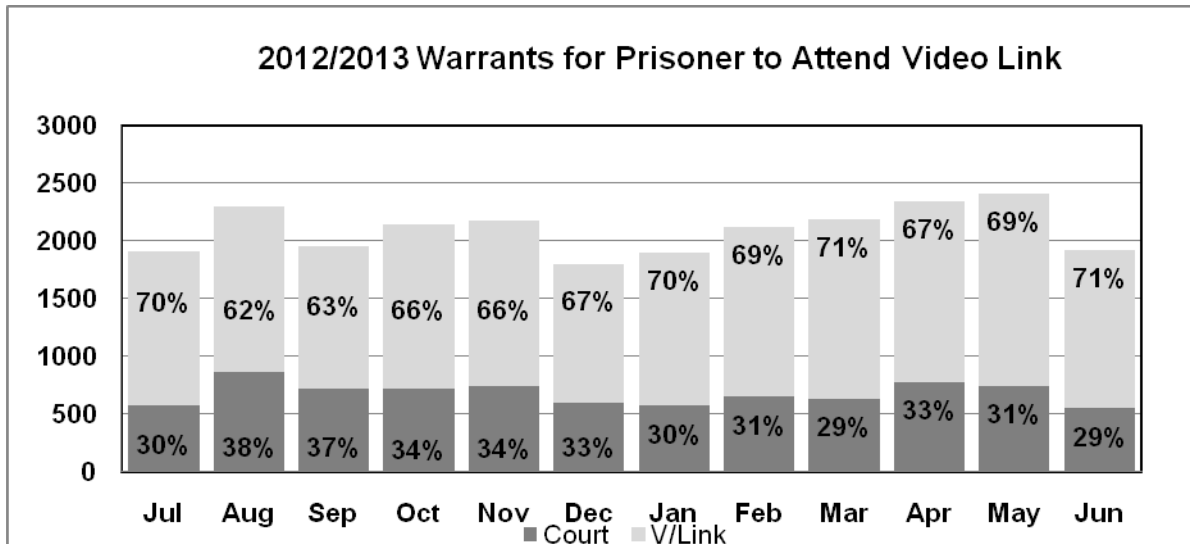
The following Figure 3 outlines the number of warrants for persons in custody to appear in court and the number of warrants for persons in custody to attend video link, and the percentages of those attendances that were facilitated by video link. There were 8,138 attendances at court and 16,989 video link appearances.

This is a decrease of 8.2% for warrants for attendance at court and an increase of 10.4% for warrants to appear via video link from the previous year. This has not resulted in a decrease in cost as the total movements remained in the same Volume Band for the provision of this service. However, this decrease in attendances at court does reflect the Department's efforts in reducing unnecessary prisoner movements. The total overall

person in custody movements for all services, due to demand has increased by 1,485 this year.

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.

Figure 3. Warrants for Prisoners to Attend Video Link



5. Court Security and Court Custody

5.1 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.

5.2 Court Custody and Court Security Costs

The cost of providing court custody and court security services in 2012/13 for metropolitan courts and for regional courts was, in total, \$17,965,189.

Table 2: Court Sitting Days

State Totals			
Month	Metro	Regional	Total
July 2012	357	234	591
August 2012	380	274	654
September 2012	353	252	605
October 2012	394	251	645
November 2012	339	259	598
December 2012	323	223	546
January 2013	338	238	576
February 2013	357	242	599
March 2013	364	253	617
April 2013	381	260	641
May 2013	403	299	702
June 2013	337	239	576
Total	4,326	3,024	7,350

6. Contract Compliance and Contract Costs

The Contract operates under a clearly defined governance framework that is overseen by a Joint Management Board (the 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.

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 processes and to ensure that planning priorities inform the budget process.

6.1 Monitoring of Services

The Department's Monitoring Team has undergone change during this reporting period. This has resulted in a more streamlined model. Previously there were two (2) Monitoring Teams. One (1) was based at Acacia Prison, and monitored the Acacia Contract; the other Team, based at Head Office, monitored the Court Security and Custodial Services Contract. Monitoring staff would rotate between the two (2) sites, spending approximately 6 months at one (1) location, followed by six (6) months at the alternative site.

With the opening of the Young Adult Facility at Wandoo – formerly the Rangeview Juvenile Remand Centre – operated by the private service provider, Serco, a review of

the Monitoring Plans for both the Acacia Prison and Court Security and Custodial Services Contract was undertaken.

The monitoring regime at Acacia Prison has been reviewed and a monitoring regime at Wandoo has been introduced. Monitoring across all three Contracts (Acacia Prison, Court Security and Custodial Services and Wandoo) is now centralised through the Monitoring Section at Head Office.

Table 3 below, identifies the Daily Operational Reviews undertaken at metropolitan sites, and Reviews of transport and escort services provided within the metropolitan area under the Court Security and Custodial Services Contract.

Table 3. Schedule of Daily Operational Reviews Completed

Transport / Escorts		Courts			
Hospital Sits	155	Armadale Court	52	Midland Court	57
Medical Escorts	128	Central Law Courts	57	Perth Children's Court	54
Funeral Escorts	6	District Court Building	55	Rockingham Court	69
Inter-prison Escorts	195	East Perth Watch House	10	Stirling Gardens	24
Prison/Court/Prison Escorts	834	Fremantle Court	45	Supreme Court	67
Vehicle Standards	63	Joondalup Court	57		
Royal Perth Hospital	61	Mandurah Court	48		

Process Reviews

During the reporting period, Process Reviews at Kalgoorlie, Albany, the Supreme Court and Joondalup Court were undertaken. A number of recommendations were made to the Contractor, for service improvement.

Restraint and Control Equipment

A review of the use of Restraint and Control Equipment was also carried out during the 2012/13 reporting period. The resulting report is in the process of being finalised.

6.2 Key Performance Indicators (KPIs) and Abatement Regime

The Contract includes Key Performance Indicators (KPIs) and an Abatement Regime. The KPIs relate to Specified Events referred to in the Contract as well as Performance Failures, including contractual, reporting and operational service failures by the Contractor. 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 of the abatement depends on the type and severity of the failure.

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. The Abatement Regime drives the Contractor to continuously improve the quality and value for money of the services provided to the Principal under the Contract.

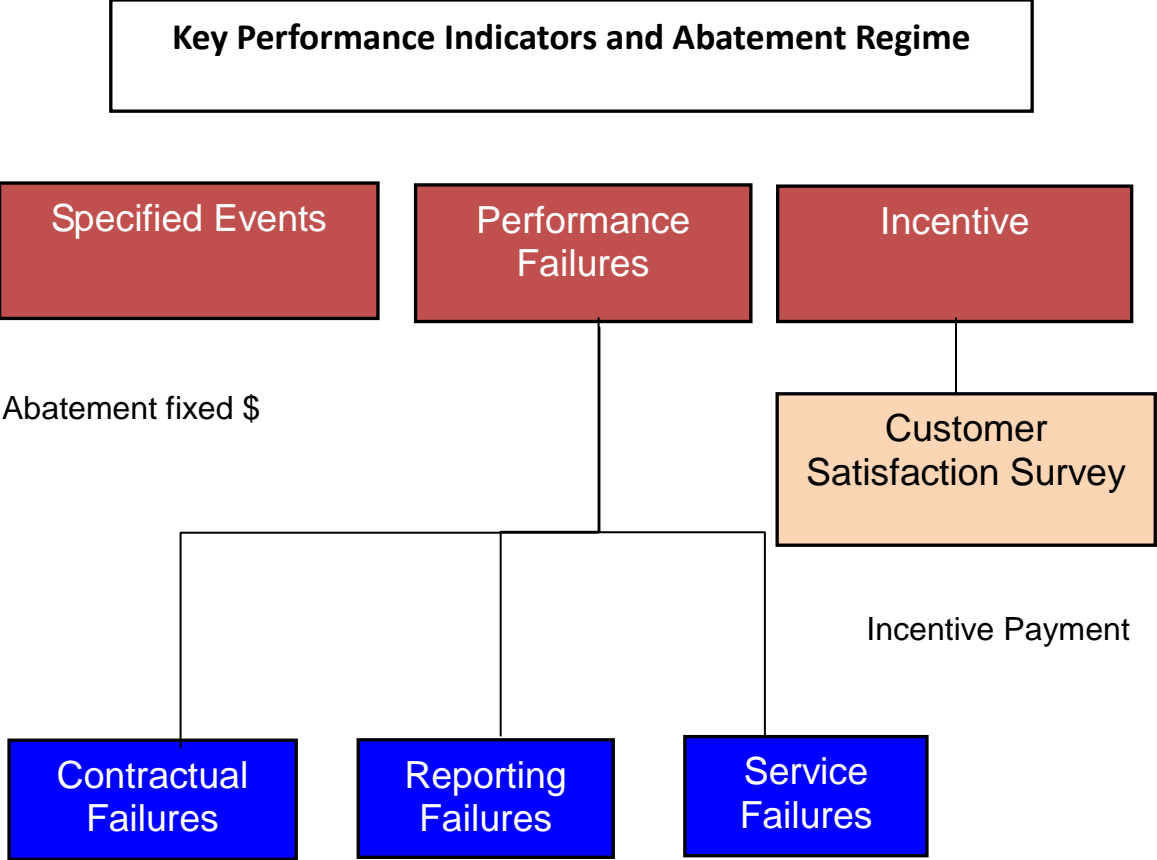
During the period July 2012 to June 2013, Serco was abated for 19 Specified Events, 45 Reporting Failures, and 45 Service Failures across all service areas of the Contract. This resulted in \$126,120 abatement dollars.

During the reporting period, Contracted Services has worked to ensure improvements in the area of late deliveries and clearances to and from metropolitan courts, with a view to increasing service and cost efficiencies. The number of late deliveries to the courts remains an issue for significant business improvement opportunities throughout the system. This issue is complicated by the volume of data collection and review required.

During the period Serco was abated \$42,100 for late deliveries to and clearances from courts. These abatements were for July and August only, and accounted for 257 Service Failures and 153 Reporting Failures for late court delivery, and 65 Service Failures and 11 Reporting Failures for late court clearances. Although Contracted Services progressed abatements for late deliveries and clearances up to February 2013, these remain unresolved between Contracted Services and the Contractor Serco.

The Department continues to work with the Contractor Serco and the Department of the Attorney General to improve methods and processes of data collection, and streamline the requirements for abatement evaluation particularly in the area of Late to Courts and Court Clearances. This area will be a focus for improvement in the coming year.

Chart 1. Key Performance Indicators and Abatement Regime



6.3 Performance Improvement Notices

Persistent poor performance may lead to a Performance Improvement Notice being issued. This is managed in a way that encourages a particular performance issue to be specifically addressed and promptly remedied.

Contract Management issued six (6) Performance Improvement Notices (PINs) this year, as follows:

- 27 August 2012 – Relating to the Contractor failing to provide document folders in line with Serco Operating Instruction 2.103, ‘Hospital In-Patient Guarding’. The Contractor subsequently met the requirements of the Notice.
- 29 August 2012 – Relating to the Contractor failing to provide agreed services due to insufficient staff numbers. The Contractor subsequently met the requirements of the Notice.
- 8 October 2012 – Relating to complaints received regarding Contractor staff non-adherence to policy and procedures and the supervision and observation of Persons in Custody during Hospital Sits. The Contractor subsequently met the requirements of the Notice.

- 16 October 2012 – Relating to the Contractor failing to provide required data to Contract Management within the required timeframe. The Contractor subsequently met the requirements of the Notice.
- 12 December 2012 – Relating to the Disruption to Court Services at the Supreme Court. The Contractor subsequently met the requirements of the Notice.
- 16 April 2012 – Relating to the currency and monitoring of CPR training and the timely scheduling of refresher training. The Contractor subsequently met the requirements of the Notice.

6.4 Customer Satisfaction Survey

A further element in 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.

The survey measures the Contractor's performance with regard to establishing and maintaining effective relationships with the Client Agencies to ensure efficient 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 surveys, conducted in September 2012, January 2013, April 2013 and June 2013, the Contractor, Serco, achieved a Customer Satisfaction Measurement of 61.2% for this reporting period.

The Department continues to assess the effectiveness of the Customer Satisfaction Survey, noting that the tool is potentially more effective for customer feedback than as a Key Performance Indicator. Work will continue this coming year to refine this survey.

6.5 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 remaining relatively stable.

In total, the cost of delivering the service during 2012/13 was approximately \$50,035,000.

7. Training

7.1 Improved Training of Contract Workers

A focus of the 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.

During 2012/13 the Contractor improved the rate at which Contract Workers were trained in Certificate III and Certificate IV Correctional Practice. At the end of the period only 4 staff had failed to complete their required certification within 12 months, and this was due to an inability to complete the required module.

Of the 333 Serco Contract Workers, 256 (or 76%) have completed Certificate III qualifications, and 76 (or 23%) are currently completing their Certificate III qualifications and are within the 12 months provided to do so. In addition, 25 of these staff have also completed Certificate IV. All supervisors required to have Certificate IV in Correctional Practice have completed certification.

The Contractor has also improved the certification rate of Contract Workers in respect of Cardio Pulmonary Resuscitation (CPR) training from 50% to 98% of staff. The High Level Security Permits of staff who have not completed their required certification within 12 months, or do not have current CPR training, have been suspended and these staff are not currently in an active role as Contract Workers.

7.2 Training Audit

The Department conducts an annual review of Serco's training at the conclusion of each service year, and engaged an independent consultant to evaluate the training provided by the Contractor Serco to those officers employed in services provided under the Court Security and Custodial Services Contract. This is consistent with the requirements of the recommendations arising from the Parliamentary Review Committee's Report on the Transportation of Detained Persons².

The audit, undertaken in October 2012, made recommendations, which were then passed on to the Contractor who was asked to respond to each recommendation. Serco was required to submit an action plan addressing these recommendations.

The forthcoming audit will also review Serco's progress towards the action plan addressing the recommendations made in the previous audit.

8. Contract Reviews

In addition to the Contract reviews for compliance, as outlined in section 6.1 Monitoring of Services, several other contract reviews were undertaken during the 2012/13 reporting period.

² *Inquiry into the Transportation of Detained Persons: The Implementation of the Coroner's Recommendations in Relation to the Death of Mr Ward and Related Matters* conducted by Environment and Public Affairs Committee

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.

8.1 Review of Contractor's Operational Instructions

The Department works closely with the Contractor to carry out an annual review of Serco's Operational Instructions. This is to ensure all Instructions comply with Departmental policy and legislation, and meet all service requirements and contractual responsibilities.

During this reporting period, the Contractor reviewed its Operational Instructions (OIs) consistent with Section 10.3 of the Contract. The Operational Instructions were subsequently approved, on an interim basis, in August 2013. An ongoing review of Operational Instructions will occur during the next financial year in relation to issues and incidents as they occur. This will take place with specific Operational Instructions to be reviewed each quarter to ensure all OIs are reviewed annually.

8.2 Volume (Band) Changes

The Contract provides for regular increases and decreases for contractually specified service delivery to be reflected in specific price variations without the requirement of formal contract variations. This allows the State to only receive the service required and make price variations, up or down, to reflect the change in service demand.

The Contractor submitted volume band data and requests in accordance with the requirement for Quarterly Review of Baseline Volume Bands in Schedule 4, Clause 3.2.3, of the Court Security and Custodial Services Contract for regional court transfers and regional lockup clearances. Volume band reviews of the data provided by the Contractor have been finalised for the first and second quarters of the financial year. The reviews for the third and fourth quarter have been undertaken, however, are yet to be formally finalised.

8.3 Contract Variations

Contract variations were initiated for services relating to the Perth Police Complex (Northbridge) and Kununurra Temporary Court. On 31 May 2013 the Contractor commenced daily transport and Saturday Court services at the Police Complex at Northbridge, without incident. These services were previously supplied at the East Perth Watch House which is now closed. The Northbridge facility has a vastly improved Lock-up and contemporary court facilities, with a longer term capacity to operate six (6) days per week, thereby reducing demand loads on transport services to both the District Court Building and other metropolitan courts. These variations remained ongoing at the end of the reporting period.

9. Achievements 2012/13

The 2012/13 service year was characterised by consolidation of the major transition work carried out during the previous reporting period. A raft of strategic and operational improvements was introduced during that time and is being successfully implemented.

Major achievements secured during 2012/13 include:

9.1 Improving Governance

The Department successfully carried out an overhaul of service design, governance, performance objectives, and sourcing of services. This process commenced in the previous reporting period and has been consolidated this year. Much was achieved during 2012/13 in the following areas:

- Overall Contract Management Framework improvements.
- Improved duty of care considerations.
- Improved training for staff.
- Progress towards an online information system for the accurate collection and sharing of data.
- Improved reporting on the movement of a person in custody.
- Improved provision of intelligence, including health or 'at risk' information.

9.2 Successful Addition of a Special Purpose Vehicle for Medical Escorts

Serco added a secure special purpose vehicle to its transport fleet in February 2013. The Volkswagen Caddy Maxi underwent extensive modifications to increase its suitability as a special purpose escort vehicle. This included lowering of the rear floor section to accommodate wheelchair bound persons in custody. All modifications were carried out in compliance with Australian Design Rules. Relevant Serco staff were given training in the use of this vehicle.

The purpose of the vehicle is to facilitate escorts of persons in custody who are unable to travel in the normal secure vehicles available. A person in custody who is wheelchair bound can now remain in their wheelchair during the escort. Additionally, a person in custody who is unable to travel in the current (normal) secure vehicles can be transported in the passenger seating area of the secured special purpose vehicle. This has provided a significant improvement in service. Previously, the Contractor Serco had to hire a vehicle to undertake this sort of escort. Whilst the special purpose vehicle is not a secure escort vehicle, it has led to a reduction in the use of maxi taxis, which were also not secure vehicles and previously used for such situations. This has also resulted in improved response times to requests for transports of this nature.

9.3 Improvements in Staff Training

During the reporting period a significant improvement was made in the levels of staff training. 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.

Seventy-six percent (76%) of staff have completed Certificate III in Correctional Practice, and 23 per cent are currently completing their Certificate III qualifications and are within the 12 months provided to do so. All supervisors required to have Certificate IV in Correctional Practice have completed certification.

The Contractor has also improved the certification rate of Contract Workers in respect of Cardio Pulmonary Resuscitation (CPR) training from 50% to 98% of staff.

9.4 Successful Transfer of Service to Perth Police Complex (Northbridge) and De-commissioning of the East Perth Watch House

The East Perth Watch House was de-commissioned on 31 May 2013, and the Contractor successfully re-located the required service delivery to the new Perth Police Complex in Northbridge. Daily transfers to metropolitan courts continue to be conducted by the Contractor from the new complex. The Saturday Magistrate's Court was also moved to the new complex.

9.5 Increased Use of Video Links to Courts

The Department continued to focus on reducing unnecessary prisoner movements by promoting the use of audio-visual links for court appearances, in order to reduce the number of prisoners transported between regional and metropolitan locations.

9.6 The Canning Vale Purpose-Built Base

The move from Hakea to a purpose-built facility for vehicles and staff has been completed, resulting in an improvement to the general efficiency of operations. The facility was officially opened on 16 July 2012. The site houses all Serco metropolitan fleet vehicles in a secure environment. The facility also contains a control centre for tasking and monitoring vehicle movements, a training room for facilitating staff training, and a number of areas for other support functions resulting in a general improvement to operations.

9.7 Regional Police Station Hubs

There has been a successful change from 72 Hour Clearances to 24 Hour Clearances. The Contractor has continued to provide 24 Hour Clearances in a timely manner during the 2012/13 reporting period, thus achieving a 100% success rate in the provision of this service.

9.8 Regional Medical and Funeral Transport Pricing

The Regional Medical and Funeral Transport Pricing Table Variation was successfully negotiated and came into effect 1 September 2012. The Variation retained a fixed service fee for low distance, high volume movements, and removed the fixed fee for the high distance movements thereby allowing for greater discretionary funding for a range of prisoner movements in respect to demand.

9.9 The Broome to West Kimberley Regional Prison inter-prison Transportation Variation

The Broome to West Kimberley Regional Prison inter-prison Transportation Variation was successfully negotiated, and came into effect on 1 October 2012. The variation resulted in a scheduled service between Broome Regional Prison and West Kimberley Regional Prison.

10. Challenges for 2013/14 – The Year Ahead

10.1 Northbridge Police Complex

The East Perth Watch House closed in early 2013, and the new Perth Police Complex (Northbridge) became operational in May 2013. The complex now includes a court room where proceedings are currently carried out on Saturdays only. Subject to funding, this court has the capacity to operate on a six (6) day per week basis, thereby reducing demand loads on transport to both District Court Building and other metropolitan courts. Serco provides all court security and custodial services to this court.

10.2 Prisoner Transport Services to the West Kimberley Regional Prison

The Court Security and Custodial Services Contract has been expanded to include the provision of prisoner transport services to the West Kimberley Regional Prison. This facility opened in late 2012. Prisoners are now being transported to and from the prison, and also from the Derby Court that sits fortnightly. This service took effect from 1 October 2012.

10.3 Review of Hospital Sits

The Department, in collaboration with the Contractor Serco, commenced a review of the metropolitan and regional Hospital Sits during the 2012/13 year of operation. The review will continue in the 2013/14 year, with a focus on identifying opportunities for innovation in service delivery.

10.4 Late Deliveries to and Late Clearances from Court

The Contract Management Team is seeking to achieve improvements in this area with a view to increasing service and cost efficiencies. There were occasions during the reporting period in which persons in custody were late for court. Therefore this area will be a focus for improvement in the coming year.

The Department continues to work with the Contractor Serco and the Department of the Attorney General in improving methods of data collection, and streamlining the requirements for Contractor abatement assessment particularly in the area of Late to Courts and Court Clearances. This is in addition to identifying opportunities to minimise late deliveries and late clearances from court.

10.5 Secure Vehicle Fleet

The Contract (*Schedule 6, Para 4.7*) states, 'The Contractor is required to have a secure escort vehicle replacement strategy and shall not use a secure escort vehicle

(chassis) older than five (5) years or greater than the manufacturer's warranty period or a secure escort vehicle pod older than ten (10) years old.'

The Contractor is aware that the first of the secure escort vehicles in their current fleet will be five (5) years old in the second quarter of 2014. The Contractor has therefore commenced formulation of a strategy to undertake a phased approach to the replacement and possible refurbishment of the secure vehicle fleet in the coming year.

11. Conclusion

During the service year 2012/13, Serco Australia Pty Ltd continued to deliver the services required by the Court Security and Custodial Services Contract to the levels expected by Government and the State. The year was characterised by consolidation of the significant changes initiated in the previous year. This consolidation, and the securing of significant improvements in the provision of services for the Court Security and Custodial Services Contract, proved successful during 2012/13.

The Contract continues to place a focus on carrying out services within set timeframes, but also in a way that ensures prisoners are treated in a humane manner. 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. 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 improving efficiencies in the implementation of the Contract. The initiatives put in place for the 2013/14 year will be carefully resourced and monitored to ensure 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 these agencies and the Contractor, Serco Australia Pty Ltd, in ensuring the Contract is administered to the high standards expected by Government and the State of Western Australia.