



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

Annual Report 2014/15

**Young Adult Facility Contract
(Wandoo Reintegration Facility)**



GOVERNMENT OF
WESTERN AUSTRALIA

Department of Corrective Services

Young Adult Facility Contract (Wandoo Reintegration Facility)

Annual Report 2014/15

TO THE MINISTER

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 2014/15 Annual Report of the Young Adult Facility Contract.

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 1 July 2014 to 30 June 2015.

James McMahon
Commissioner

October 2015

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1 From the Commissioner

This year has been a significant year for Wandoo with Wandoo operating to capacity during 2014/15. In January 2015, the age eligibility range was extended to enable the intensive rehabilitation and reintegration services that Wandoo provides to be delivered to a larger number of prisoners.

This year was also the first year in which recidivism data relating to Wandoo was available and with a 2013/14 return to prison rate of 20% (and an Aboriginal return to prison rate of 0%) the Department is starting to realise the significant investment being made into the young men who pass through Wandoo. In 2014/15, 98% of young men, who had been housed at Wandoo for three months or more, were released directly into employment, education or training, a key factor in reducing reoffending.

Contractual performance and compliance was satisfactory in 2014/15, with only minor performance and specified event abatements were issued.

Whilst outside of the reporting period, the escape of four prisoners from Wandoo in August 2015, highlighted the need to balance risk and security clarification for all custodial facilities work has been completed by the Department and Serco to address the factors which contributed to the escape and lessons learnt have been translated to all Western Australian prisons.

The preliminary results attest to the benefits of partnership with non-government organisations, service specifications, and individual case management.

I look forward to Wandoo delivering rehabilitation and reintegration services in 2015/16 to young male offenders.

James McMahon
Commissioner

2 Contract Background & History

Wandoo is a minimum security facility for young 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 young male prisoner cohort. A particular focus was to be placed on reducing reoffending, and facilitating reintegration into the community through training, employment and education.

Wandoo was originally a minimum security facility designed for 18-24 year old male offenders. On 7 January 2015 the Minister for Corrective Services announced an extension to the upper age limit of Wandoo, from 24 to 28.

Wandoo is the second privately operated prison to be established in Western Australia (WA). 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. Serco are in the first term of the Contract, which will expire in November 2017 and two further five year periods are available.

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:

- three 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.

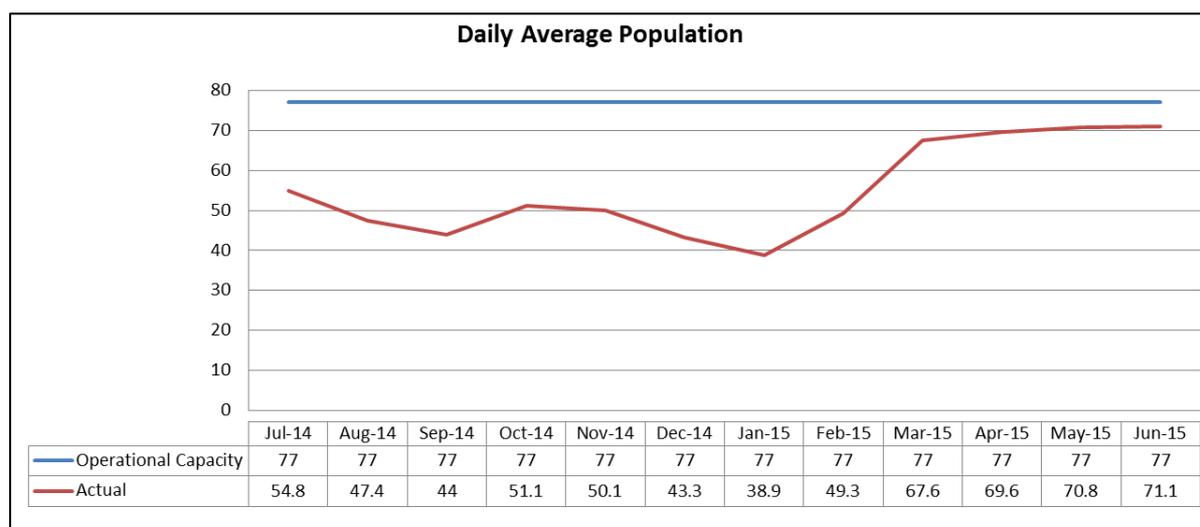
3 2014/15 Key Projects and Initiatives

3.1 Age Range Extension

Since Wandoo was first opened in November 2012, the Department had experienced difficulties in increasing and maintaining Wandoo’s population. A number of initiatives were previously put in place seeking to increase the population towards the operational capacity of 77; however these did not result in significant or sustained increases in population.

On 7 January 2015 the Minister for Corrective Services announced an extension to the upper age limit of Wandoo, from 24 to 28. This extension allowed for Wandoo to deliver their intensive reintegration services to a larger number of prisoners, thereby furthering the Contract’s strategic objective. The extension also delivered improved value for money. Furthermore the extension addressed a key recommendation from the Inspector of Custodial Services, as outlined in section 4.5 of this report.

The increase in the age range allowed the Wandoo prison population to increase by an average of 5 prisoners per week between February and March 2015. Between January and June 2015 the Wandoo population steadily increased from a Daily Average Population (DAP) of 38.9 to 71.1. The 2014/15 DAP is shown below.



During the year staff from Wandoo contributed to the successful implementation of a dedicated block for young adults at Acacia Prison. This block will deliver specialised services to this group as well as preparing prisoners for transfer to Wandoo once they reach minimum security classification.

3.2 Benefits Realisation Project

During the project and procurement phases of the Wandoo contract the Department identified four key areas where Wandoo was designed to deliver benefits consistent with the Department’s Strategic Plan. These were in the areas of:

- Improved quality of service to young adult males;
- Improved governance;
- Improved value for money;
- Improved reputation and image.

There are significant benefits in effectively rehabilitating and reintegrating prisoners back into the community including improved community safety, decreasing the amount of victims of crime and a decreased resourcing requirement on all facets of the criminal justice system.

The Department has continued to track and record benefits against the benefits realisation plan. Importantly 2014/15 was the first year in which one of the key expected benefits, a reduction in reoffending rates, could be captured. This was due to the need to track an offender's return to prison over a two year period following their release.

For the 2014/15 operational year the return to prison rate was 20%, almost half of the Department wide average of 36.2%¹. Importantly there was a 0% rate of Aboriginal prisoners released from Wandoo returning to prison, with zero (0) out of four (4) Aboriginal prisoners released for two years or more having returned to prison in the two years following their release.

The Department will continue to monitor and track these benefits, ensuring that Wandoo meets its strategic objective of reducing reoffending. Further and more detailed analysis of reoffending rates will be completed, to compare Wandoo with similar aged cohorts in the wider Western Australian Prison system.

3.3 Global Position System (GPS) Pilot

On 20 January 2015 a GPS pilot program commenced at Wandoo. This was a joint initiative between the Department and Serco and the first use of GPS technology to track offenders whilst in custody in Western Australian prisons.

The six month pilot was approved and funded by the Department and introduced the use of GPS devices to activities which were conducted off-site from the facility. The devices enabled prisoners engaging in unsupervised section 95 activities to be monitored in real time, strengthening the section 95 security framework. The additional assurance that these devices provided enabled an increased amount of prisoners to engage in unsupervised section 95 activities, contributing positively to their rehabilitation and reintegration opportunities. Prisoners continue to be carefully selected for these activities, which include vocational training, sporting events and rehabilitation services.

The six month trial operated for the remainder of the operational year and the Department has agreed to continue to fund the trial until the final evaluation report is completed and considered. The Department will consider the benefits of the trial in determining whether GPS tracking for section 95 activities will be continued or expanded.

3.4 Employment, Education, Training and Reparation

Wandoo continued to focus on delivering employment based training opportunities to residents. The fields of hospitality, construction, warehousing and horticulture were

¹ Statistics taken from Department of Corrective Services Prison Recidivism (COAG Detail) Report generated 2 September 2015

targeted, because of the employment opportunities available in Western Australian industry.

Serco partnered with companies such as Aus-Com, who provide training in Mining and Building and Construction High Risk License courses, areas for which there is high industry demand. During the period Aus-Com loaned a mobile plant operation simulator to Wandoo, allowing access to on-site training, which was later supplemented through access to live mining machinery. 33% of residents in the initial training course were offered employment immediately following their release.

Warehousing qualifications were delivered through Challenger Institute of Technology. Warehousing is an area of employment where substantial opportunities exist and a number of residents were released directly into warehousing employment as a result of this training.

Training and qualifications in hospitality (Kitchen Operations) continued to be delivered utilising the Wandoo kitchen and both Careers Australia and Polytechnic West.

Literacy courses were delivered throughout the year by Wandoo Education Facilitators, with supplementary support from Challenger Institute, which assisted residents in gaining employment skills in the Community Services field.

98% of residents who had resided at Wandoo for three months or more were released directly into employment, training or education, a crucial element in reducing reoffending. Below is a summary of Education and Training during the year:

Activity	Total
Traineeships – Hospitality	5
Traineeships – Horticulture	2
Traineeships – Warehousing	1
Literacy and Numeracy Enrolments	154
High risk license completions	136
Full Certificate II in Work Preparation (mining and construction) Completions	16
Hospitality short course completions	73
Full Certificate IV Completions	15
Horticulture / Conservation Unit completions	22
Warehousing Skillset Unit completions	99

A number of reparation activities were completed, including painting and decorating at the Bluegum Recreation Centre, grounds maintenance for Western Australia Police and Fire and Emergency Services, volunteer work at Foodbank, Australian Red Cross and completing maintenance work on the Bibbulum Track.

In addition a new partnership commenced with Shenton Park Dogs Refuge Home. Residents volunteered their time to prepare and re-socialise displaced dogs for rehoming in addition to undertaking maintenance work. Wandoo also fostered two (2) dogs that were not doing well in the home, resulting in Wandoo adopting a pet dog.

3.5 Offender Programs

In 2014/15 Wandoo continued the delivery of two clinical intervention programs. 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.

3.6 Sporting Activities

Sporting events, such as basketball and football, featured consistently during 2014/15. West Coast Eagles delivered training sessions to the residents at Wandoo and the training sessions were extremely popular amongst the residents.

4 Contract Management and Oversight

4.1 Introduction

The Contract continues to be overseen and monitored through the Department's Contracted Services Directorate. A dedicated contract management branch oversees all facets of contractual service delivery and compliance. In managing the contract the branch draws expertise from across the Department, ensuring appropriate service delivery oversight. The management of the Contract is guided by a Contract Management Framework outlining legislative and policy requirements, contract governance, compliance and performance management.

The Department operates a dedicated team of on-site compliance officers, who conduct compliance audits and observations, ensuring service delivery meets contractual requirements. Monitoring Officers are responsible for conducting scheduled and ad hoc compliance testing of the Service Requirements specified in the Contract. The Wandoo Site Monitoring Plan utilises a risk management and business improvement approach. Feedback from the Monitoring Officers assists the Contract Manager in assessing compliance, performance, and ensuring continuous improvement by Serco.

Contractual performance and service delivery is overseen by the 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 Wandoo contract management team retained its certification in Quality Management Systems in 2014/15. A quality audit (ISO 9001 Quality Management Systems) was conducted by SAI Global in February 2015, and the team 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.

A suite of financially linked Key Performance Indicators are used to measure performance and Performance Improvement Notices and abatements and used to address service delivery areas which have been identified as being below the required standards.

4.2 Key Performance Indicators (KPIs)

The performance of Serco is assessed against Key Performance Indicators (KPIs) specified within the contract. These KPIs are a key contract management mechanism to ensure satisfactory performance and that Wandoo is delivering services designed to support its strategic objective. 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). 10 KPIs are Specified Events (one-off events that will attract a Contract Abatement) and nine are

Performance Measures, which comprise 10% of the Operational Services Fee, measured as a percentage of a 100% baseline.

In 2014/15, six of the nine Performance Measures were fully achieved whilst three received a Performance Linked Abatement. These were:

- KPI 16 (prisoners engaged in constructive work or training) was not fully achieved during the month of July 2014. Total abatement fee for the year was \$3,479.39, a result of only 89% of prisoners being engaged in constructive hours of work or training. The target to achieve full payment for this KPI is greater than 90%.
- KPI 13 (urinalysis testing results) was not fully achieved during the month of August and December 2014. The abatement fee for the year was \$7,212.20, which was applied after one prisoner tested positive for banned substances in each month.
- KPI 19 (customer satisfaction survey) was not fully achieved during the month of September 2014. The abatement fee for the year was \$5,361.63, a result of achieving an 82% satisfaction level among users including staff, prisoners and visitors during one survey. The target to achieve full payment for this KPI is greater than 90%.

A full summary of all Performance Measures, Performance Improvement Notices and Abatements may be found in Appendix 1. Financial information on Performance Measure Abatements are contained within Section 5 of this Report.

A review of the Performance Measures will be undertaken in 2015/16 to ensure that the measures are operating as planned, and are continuing to drive high level service delivery.

4.3 Performance Improvement Notices (PINs)

Performance Improvement Notices (PINs) are used as an improvement tool when the Department has deemed that Serco has breached a requirement as outlined in the Contract, or failed to deliver services sufficient to meet the requirements of a contractual Service Requirement. As a result of identifying this deficiency, the Contract provides that the Department may direct Serco to improve its performance of the services. This takes the form of a PIN.

In the period 2014/15, the Contractor was issued with one PIN. This related to the following issue:

4.3.1 Obligation to Report or Provide Information and Records

The Department identified a number of inaccurate and delayed reporting for the month of June, July, August and September 2014. Areas included late reporting against Performance Measures, late critical incident review reporting and errors in the Custodial Management System information. Since the PIN was issued performance in this area has improved to a satisfactory level.

4.4 Specified Event Abatements

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

In the period 2014/15, the Contractor was issued two Specified Event Abatements. These related to the following issues:

4.4.1 An Abscond

On 1 August 2014 a prisoner absconded whilst undertaking an unsupervised section 95 activity. On 3 September 2014 the Department issued Serco with an abatement amount of \$5,000 plus Indexation Adjustment (\$5,608.50) as a result of this Specified Event.

4.4.2 A Failure to Report a Critical Incident

On 8 November 2014 a prisoner reported that others prisoners had treated him in a manner that may be considered a sexual assault. On 21 November 2014 the Department issued Serco with an abatement amount of \$5,000 plus Indexation Adjustment (\$5,608.50) as a result of this Specified Event.

A full summary of all Key Performance Indicators, PINs and Abatements may be found in Table 1 below and financial information is contained within Section 5.

4.5 Audits and Reviews

Serco's operations at Wandoo are subject to a range of reviews by both internal and external audit and oversight bodies. During this reporting period, reviews included:

4.5.1 Office of the Inspector of Custodial Services (OICS)

OICS conducted its inaugural Announced Inspection in May 2014. The Report of an Announced Inspection of Wandoo Reintegration Facility (Number 94) was released in November 2014. The report found significant positives, however noted that Wandoo must be filled to maximise its potential. The report made seven recommendations, each of which were agreed or endorsed by both the Department and Serco. These recommendations are being progressed and implemented currently, with some having already been actioned. Importantly the age extension has allowed for Wandoo to be better utilised and additional training and education facilities have been added to Wandoo's infrastructure.

4.5.2 Independent Visitors Service (IVS)

The IVS is managed by OICS, utilising persons appointed by the Minister for Corrective Services. It is an independent form of external scrutiny that monitors and inspects prisons across Western Australian.

During the 2014/15 period, the IVS undertook 10 visits to the Wandoo facility. Overall, the feedback from IVS was positive and there were no significant or sustained issues raised by the IVS.

5 Contract Payments and Associated Financial Information

5.1 Payments Made to Serco

A complete breakdown of contract costs associated with the Contract is below (rounded to the nearest dollar) and a description of the cost is below:

Description	Payment
Operation Service Fee	\$11,048,552
Education and Training (pass through cost)	\$343,490
GPS Trial (pass through cost)	\$25,000
Gross Total	\$11,417,042
Performance Linked abatements	\$16,053
Specified Event abatements	\$11,217
Net Total	\$11,389,772

Note: Pass through costs are payments made for services that are related to, but outside of, the contract terms.

5.2 Operational Service Fee

Operation Service Fee payments are made on a monthly basis and are calculated based on the forecast Daily Average Population (DAP) for the facility in the coming month. This payment includes prison operations as well as planned and reactive maintenance services. DAP Bands of prisoner numbers are contained within Schedule 3 of the Agreement, which provide for the appropriate payment. Ten percent (10%) of the monthly fee is attributable to the nine (9) Key Performance Indicators.

5.3 Education and Training (Pass Through Cost)

Since the commencement of the contract education and training costs have been managed on a pass through basis. The Department is currently progressing work to consolidate these costs into the Operational Service Fee, or an alternative arrangement.

5.4 Performance Measure Abatements

In accordance with Schedule 3 of the Contract performance measure abatements are applied when Serco do not meet the required KPIs. The total amount possible under these abatements equates to 10% of the Operational Service Fee. In 2014/15 the Operational Service Fee was reduced by \$16,053 as a result of Performance Measure abatements. This equates to 1.4% of the attributable amount, reflecting an annual achievement of 98.6% of the annual performance component of the fee.

5.5 Prisoner Welfare Trust Fund

Serco operates a canteen service, which offers snacks, confectionary, non-alcoholic drinks, toiletries, magazines, books, stationery and any other items as specified to prisoners. Under the Contract, Serco is required to pay into the Prisoner Welfare Trust fund on a monthly basis, an amount equal to two percent (or 2%) of Gross Canteen Sales in respect of the previous month. Expenditure from this fund is approved by the Department where submissions from Serco demonstrate that the funds will be used for the welfare of prisoners at Wandoo.

The opening balance of the fund on 1 July 2014 was \$2,678.89 and during the year payments totaling \$3,412.50 were made by Serco.

There was no expenditure from the fund in the 2014/15 year, and the closing balance for the year was \$6,091.39.

5.6 Prison Industries Payment

Under the Agreement, Serco is required to pay the State an amount equal to ten percent (10%) of the Gross Prison Industry Revenue. During the 2014/15 there was no revenue generated from prison industries and therefore no payments were made to the Department.

5.7 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. This money is held for the purposes of asset replacement activities at Wandoo.

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 eight of the Contract. This is consistent with asset management methodologies and an asset condition appraisal undertaken at the commencement of the Contract.

In 2014/15 \$635,954.52 was deposited into the LSF Trust Fund. Approved expenditure from the fund totaled \$290,858.53 and included the following significant expenditures:

- \$84,885.41 – Installation of CCTV cameras in Jeelia accommodation unit;
- \$79,883.52 – Replacement of damaged and graffitied windows from when Wandoo was Rangeview Remand Centre (works undertaken in 2013/14 and payment reconciled in 2014/15);
- \$42,484.33 – Replacement of juvenile specification residential toilets with porcelain adult toilets;
- \$32,569.99 – Replacement of end of life refrigeration and cool room equipment in kitchen area.

The closing balance of the LSF at 30 June 2015 was \$1,383,770.65.

6 2015/16: The Year Ahead

In 2014/15 the extension of the age range enable Wandoo to be more fully utilised, enabling it to deliver services to a greater number of prisoners, as well as delivering improved value for money to the Department.

The year ahead, 2015/16 will focus on:

- Further progressing and developing the Benefits Realisation process, ensuring that Wandoo is meeting its strategic objective;
- Actioning the OICS inspection recommendations;
- Revising the Contractual KPIs, ensuring that the Department is driving high performance through these measures.

Appendix 1: Wandoo Reintegration Facility Performance Report

WANDOO REINTEGRATION FACILITY PERFORMANCE REPORT														
		2014						2015						
KPI No.	Performance Measure	July	August	September	October	November	December	January	February	March	April	May	June	YTD
SPECIFIED EVENTS														
a	A Death	0	0	0	0	0	0	0	0	0	0	0	0	0
b	An Escape	0	0	0	0	0	0	0	0	0	0	0	0	0
c	An Abscond	0	1	0	0	0	0	0	0	0	0	0	0	1
d	A Loss of Control	0	0	0	0	0	0	0	0	0	0	0	0	0
e	The Unlawful Release of a Prisoner	0	0	0	0	0	0	0	0	0	0	0	0	0
f	The Unlawful Release of a Person	0	0	0	0	0	0	0	0	0	0	0	0	0
g	A Failure to Comply with a PIN	0	0	0	0	0	0	0	0	0	0	0	0	0
h	A Failure to Notify/Report Critical Incident	0	0	0	0	1	0	0	0	0	0	0	0	1
i	A Failure to Obtain a Cell Certificate	0	0	0	0	0	0	0	0	0	0	0	0	0
j	A Failure to Obtain a Prison Certificate	0	0	0	0	0	0	0	0	0	0	0	0	0
PERFORMANCE MEASURES														
KPI No.	Performance Measure													
1	Serious Assaults	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Serious Self-harm/Attempted Suicide	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Positive Urine Sample	0%	17%	0%	0%	0%	20%	0%	0%	0%	0%	0%	0%	3%
4	Agreed Critical Positions Staffed	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5	Residents in Employment or Training at Release	100%	100%	100%	100%	100%	100%	78%	100%	100%	96%	94%	94%	98%
6	Residents Engaged in Work or Training	89%	92%	93%	100%	91%	94%	98%	100%	100%	96%	94%	94%	95%
7	Residents Completed Agreed Course Modules	N/A	N/A	100%	N/A	N/A	96%	N/A	N/A	100%	N/A	N/A	100%	99%
8	Facility Maintenance Services Achieved	100%	98%	98%	98%	100%	100%	100%	100%	100%	100%	100%	100%	100%
9	Customer Service Rating	N/A	N/A	82%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	82%
PERFORMANCE IMPROVEMENT REQUEST														
Performance Improvement Requests (PIR) Issued		0	0	1	0	0	0	0	0	0	0	0	0	1

KEY	
	100% payment applied / No penalty applied
	Partial payment applied
	No payment applied / Penalty applied / PIR issued