Annual Report 2015/16
Young Adult Facility Contract
(Wandoo Reintegration Facility)
GOVERNMENT OF WESTERN AUSTRALIA
Department of Corrective Services

Young Adult Facility Contract
(Wandoo Reintegration Facility)
Annual Report 2015/16

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 2015/16 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 2015 to 30 June 2016.

James McMahon
Commissioner

28 September 2016

Department of Corrective Services
141 St Georges Terrace
PERTH WA 6000

Telephone (08) 9264 1711 or 13 12 17
www.correctiveservices.wa.gov.au
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1 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.

The Department of Corrective Services (the Department) is undertaking a mid-term review of the Operation and Management of the Contract.

Wandoo continues to have a strong focus on individual case management, 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.
2 Contract Management

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 Department operates a 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 Department of Corrective Services 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.

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.

3 2015/16 Key Projects and Initiatives

3.1 Maintaining DAP (Daily Average Population)

With the extension to the upper age limit of Wandoo from 24 to 28, Wandoo has been able to maintain the DAP closer to 77. The Department has continued to maintain the prisoner population near capacity to ensure maximum utilisation of the facility and services provided under the Contract. The 2015/16 DAP is shown below.
3.2 Reoffending Rates

Last financial year 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 2015/16 operational year the return to prison rate was 28%, lower than the Department wide average of 37.1%\(^1\). The Department will continue to monitor and track recidivism rates, ensuring that Wandoo meets its strategic objective of reducing reoffending.

3.3 Employment, Education, Training and Reparation

Wandoo delivers employment based training opportunities to residents. The fields of hospitality, construction, warehousing and horticulture were targeted, because of the employment opportunities available in Western Australian industry.

Serco commenced the Government funded Indigenous Employment Programme with Auscom, JSW and Serco which has resulted in two prisoners being released into employment.

Construction firm Hansons participated in a motivational speaker day that was followed by a Q&A session with their senior construction staff. Three (3) of the prisoners in attendance were invited to an interview and subsequently received employment offers.

Serco introduced to Aboriginal residents a new pilot program “Who’s ya Mob” facilitated by the Aboriginal Alcohol and Drug Service (AADS). It is a six session program focussing on a drug free approach to participants incorporating education, harm reduction, building self-esteem, relationship building, drumbeat and understanding cultural identity.

Serco partnered with companies such as Aus-Com, which provides training in Mining and Building and Construction High Risk Licence courses. These are areas for which there is high industry demand.

Warehousing qualifications were delivered through Challenger Institute of Technology. Training and qualifications in hospitality (Kitchen Operations) continued to be delivered utilising the Wandoo kitchen delivered by Careers Australia and Polytechnic West.

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

A total of 93% of residents who had resided at Wandoo for three months or more were released directly into employment, training or education, a crucial element in

\(^1\) Statistic is the yearly average taken from Department of Corrective Services Prison Recidivism Report provided by Knowledge and Information Technology Directorate.
reducing reoffending. Below is a summary of education and training during the year, a total of 2325 activities:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traineeships -- Hospitality</td>
<td>7</td>
</tr>
<tr>
<td>Traineeships -- Horticulture</td>
<td>3</td>
</tr>
<tr>
<td>Traineeships -- Warehousing</td>
<td>1</td>
</tr>
<tr>
<td>Traineeships -- Asset Maintenance</td>
<td>2</td>
</tr>
<tr>
<td>Literacy and Numeracy Student Enrolments</td>
<td>42</td>
</tr>
<tr>
<td>High risk licence completions</td>
<td></td>
</tr>
<tr>
<td>- Forklift</td>
<td></td>
</tr>
<tr>
<td>- Dogging and Rigging</td>
<td></td>
</tr>
<tr>
<td>- Scaffolding</td>
<td></td>
</tr>
<tr>
<td>- Elevating Work Platform</td>
<td></td>
</tr>
<tr>
<td>- Work Safely at Heights</td>
<td></td>
</tr>
<tr>
<td>- Confined Spaces</td>
<td></td>
</tr>
<tr>
<td>Full Certificate II in Work Preparation (mining and construction)</td>
<td>29</td>
</tr>
<tr>
<td>Completions</td>
<td></td>
</tr>
<tr>
<td>Hospitality short course unit completions</td>
<td>34</td>
</tr>
<tr>
<td>Full Certificate IV Completions</td>
<td>9</td>
</tr>
<tr>
<td>Horticulture / Conservation Unit completions</td>
<td>194</td>
</tr>
<tr>
<td>- Chainsaw</td>
<td></td>
</tr>
<tr>
<td>Other short course completions</td>
<td></td>
</tr>
<tr>
<td>- Welding</td>
<td></td>
</tr>
<tr>
<td>- First Response Fire Attack</td>
<td></td>
</tr>
<tr>
<td>- Polywelding</td>
<td></td>
</tr>
<tr>
<td>- Traffic Management/ Control</td>
<td></td>
</tr>
<tr>
<td>- Skid Steer</td>
<td></td>
</tr>
<tr>
<td>- Gas Test</td>
<td></td>
</tr>
<tr>
<td>White card/construction/painting</td>
<td>282</td>
</tr>
<tr>
<td>Fitness/first aid unit completions</td>
<td>107</td>
</tr>
<tr>
<td>Cleaning Skill unit completions</td>
<td>313</td>
</tr>
<tr>
<td>Community Services unit completions</td>
<td>43</td>
</tr>
<tr>
<td>Rap and Radio -- GATE completions</td>
<td>91</td>
</tr>
<tr>
<td>Warehousing Skillset Unit completions</td>
<td>300</td>
</tr>
</tbody>
</table>
A range of non-accredited programs are also provided throughout the year with NGO (non-government organisation) support including:

- Sycamore Tree (Prison Fellowship);
- Anger Management (Relationships Australia);
- Men's Group (Headspace);
- Who's Ya Mob (AADS);
- Green Lighthouse; and
- Staff mentoring.

3.4 Offender Programs

In 2015/16 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.

The Department and Wandoo are also discussing the delivery of a new clinical intervention programs to prisoners, the Medium Intensity Program (MIP). There was a rise in the numbers of prisoners been treatment assessed to complete the MIP. Delivery of the MIP at Wandoo will prevent prisoners being transferred to a different prison in order to start the course.

4 Oversight

4.1 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 2015/16, all of the nine Performance Measures were fully achieved compared to three (3) out of nine (9) that did not achieve the full 100% baseline last financial year.

During the last quarter of the financial year, a new KPI 19 – Incident Reporting has been discussed and agreed to be implemented in lieu of the Customer Satisfaction Survey. The new KPI has taken effect on 1 July 2016. The details of this Performance Measure may be found in Appendix 1.

A full summary of all Performance Measures may be found in Appendix 2. Financial information on Performance Measure Abatements is contained within Section 6 of this Report.
A review of the Performance Measures will be undertaken to ensure that the measures are operating as planned and are continuing to drive high level service delivery once the mid-term review is completed and a decision is made in regards to the Contract.

4.2 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 2015/16, the Contractor was issued with no PINs.

4.3 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 2015/16, the Contractor was issued with one Specified Event Abatement. This related to the following issue:

4.3.1 An Escape (Specified Event)

On 21 August 2015 four (4) prisoners escaped from Wandoo Reintegration Facility. In September 2015 the Department issued Serco with an abatement to the amount of $75,000 plus Indexation Adjustment ($10,657.50) as a result of this Specified Event.

A full summary of all Key Performance Indicators, PINs and Abatements may be found in Appendix 2 and financial information is contained within Section 6.

4.4 Audits and Reviews

Serco’s operations at Wandoo are subject to a range of reviews by both internal and external audit and oversight bodies. Reviews included:

4.4.1 Office of the Inspector of Custodial Services (OICS)

The Office of the Inspector of Custodial Services (OICS) is conducting an inspection of Wandoo Reintegration Facility from 7 to 12 August 2016. The results of this inspection will be forwarded to the Department for review.

4.4.2 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 Australia.
During the 2015/16 period, the IVS undertook monthly visits to Wandoo. 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

The contract costs associated with the Contract is provided below (rounded to the nearest dollar):

<table>
<thead>
<tr>
<th>Description</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation Service Fee (inclusive of pass-through costs, the maintenance fee to the lifecycle trust account and reductions due to performance)</td>
<td>$12,983,299</td>
</tr>
</tbody>
</table>

5.2 Operation Service Fee

Operation Service Fee payments are made on a monthly basis and are calculated based on the forecast (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 Operation Service Fee, or an alternative arrangement.

5.4 Performance Measure Abatements

In accordance with Schedule 3 of the Contract, a 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 Operation Service Fee. In 2015/16 there were no Performance Measures Abatements in the Operational Service Fee as Wandoo had achieved 100% on the KPIs Performance Based Percentage.

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 (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.
5.6 **Prison Industries Payment**
Under the Contract, Serco is required to pay the State an amount equal to ten percent (10%) of the Gross Prison Industry Revenue.

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.

The closing balance of the LSF at 30 June 2016 was $1,753,764.75.
6 2016/17: The Year Ahead

The year ahead, 2016/17 will focus on:
- Further monitoring and tracking the recidivism statistics, ensuring that Wandoo is meeting its strategic objective;
- Maintaining the prisoner population near capacity to ensure maximum utilisation of the facility and services provided under the Contract;
- Tracking performance of the new implemented KPI 19 – Incident Reporting;
- Working with the Strategic Capability and Review Directorate to implement any form of continuous improvement rising out of the OICS inspection and the Department’s Mid-Term Review.
## Appendix 1: KPI 19 - Incident Reporting

<table>
<thead>
<tr>
<th>Key Performance Indicator 19</th>
<th>INCIDENT REPORTING</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percentage of incident reports completed in accordance with the Department’s requirements.</td>
</tr>
</tbody>
</table>

### Intent

To ensure accurate, complete and timely incident reporting.

### Compliance

- **Legislation:**
  - Prisons Act 1981
- **DCS Policy:**
  - Policy Directive (PD) 41: Reporting of Incidents and Additional Notifications
- **Contract:**
  - Operation and Maintenance of the Young Adults Facility Contract

### Baseline Targets and Progressive Targets

<table>
<thead>
<tr>
<th>Progressive Targets</th>
<th>Performance Based Percentage</th>
<th>Performance Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>85.0% or Greater</td>
<td>100%</td>
<td>Green</td>
</tr>
<tr>
<td>65.0% - 84.9%</td>
<td>80%</td>
<td>Amber</td>
</tr>
<tr>
<td>50.0% - 64.9%</td>
<td>50%</td>
<td>Red</td>
</tr>
<tr>
<td>50.0% or Less</td>
<td>0%</td>
<td>Red</td>
</tr>
</tbody>
</table>

### Fixed Percentage

1%

### Reporting Frequency

Quarterly

### Calculation Frequency

Quarterly

### Data Source

- TOMS
- Other processes, information, data, records and reports available to the State or which the State may reasonably require the Contractor to provide.

### General Reporting (Methodology)

Private Prison Contract Management (PPCM) to assess all Incident reports submitted on TOMS.

### Calculation / Formula

The Contract's achievement of this KPI will be determined by applying the following formula:

\[
PIRAC = \frac{TI}{TIR} \times 100
\]

Where:

- **PIRAC** = The percentage of incident reports that were accurately completed for the month in accordance with DCS PD 41, Section 6 Minimum Incident Report Requirements.
- **TIRA** = The total incident reports for the month assessed as accurately completed in accordance with PD 41, Section 6 Minimum Incident Report Requirements.
## Appendix 2: Wandoo Reintegration Facility Performance Report

### YOUNG ADULTS FACILITY CONTRACT - 2015/16 QUARTER 4 DASHBOARD

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>2014/15 Quarter 4</th>
<th>2015/16 Quarter 1</th>
<th>2015/16 Quarter 2</th>
<th>2015/16 Quarter 3</th>
<th>2015/16 Quarter 4</th>
<th>2015/16 YTD</th>
<th>Annual Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Serious Assaults</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2 Serious Self-harm / Attempted Suicide</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3 Positive Urine Sample</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>4 Agreed critical positions staffed</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>5 Residents in employment or training upon release</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>90%</td>
<td>91.6%</td>
<td>100%</td>
</tr>
<tr>
<td>6 Residents engaged in Work or training</td>
<td>99%</td>
<td>99%</td>
<td>99%</td>
<td>96%</td>
<td>96%</td>
<td>96%</td>
<td>94.7%</td>
</tr>
<tr>
<td>7 Residents completed Agreed Course Modules</td>
<td>N/A</td>
<td>N/A</td>
<td>100%</td>
<td>N/A</td>
<td>N/A</td>
<td>100%</td>
<td>N/A</td>
</tr>
<tr>
<td>8 Facility maintenance Services achieved</td>
<td>99%</td>
<td>99%</td>
<td>99%</td>
<td>100%</td>
<td>100%</td>
<td>93%</td>
<td>100%</td>
</tr>
<tr>
<td>9 Customer Satisfaction Survey</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Specified Events

| A A Death | 0 | 0 | 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 | 0 | 0 |
| C An Abscond | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| D A Loss of Control | 0 | 0 | 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 | 0 | 0 |
| F The Unlawful Detention of a Person | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| G A Failure to Comply with a P/N | 0 | 0 | 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| I A Failure to Obtain a Cell Certificate | 0 | 0 | 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 | 0 | 0 |

### Performance Improvement Notices

| Performance Improvement Request | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |