



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

# Annual Report 2019/20

## Melaleuca Remand and Reintegration Facility Services Agreement

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## **1 Contract Background and History**

The Melaleuca Remand and Reintegration Facility (Melaleuca) was a privately operated women's prison housed within the Hakea Prison Complex located on Nicholson Road in Canning Vale, Western Australia. The prison had an operational capacity of 254 prisoners.

The Melaleuca Remand and Reintegration Facility Services Agreement (the Agreement) between the Director General of the Department of Justice (the Department), on behalf of the State of Western Australia (the State) and Sodexo Pty Limited (Sodexo) was executed on 28 July 2016. Melaleuca commenced operations as a remand and reintegration facility on 15 December 2016. The Agreement was awarded as a five year contract with two extension options of up to five years each. The first five year term was due to expire on 15 December 2021.

On 23 December 2019 the State and Sodexo executed a Heads of Agreement document confirming their intention to terminate the Agreement. On 4 April 2020 at 1800 hours, as per the terms in the Heads of Agreement, the State took control of the Melaleuca Remand and Reintegration Facility (now renamed Melaleuca Women's Prison).

## **2 Contract Management**

### **2.1 Overview**

The Agreement was overseen and monitored by the Private Prison Contracts Management (PPCM) Branch within Corrective Services.

Contractual performance and service delivery was overseen by a regular contract management meeting with the Contract Manager, the Contractor Superintendent and other Departmental and Sodexo representatives. This included reviewing Performance Measures, Performance Improvement Notices, Specified Events and other contract management oversight mechanisms. It also provided a forum to discuss operational matters affecting Melaleuca.

An executive governance meeting was introduced in October 2017. The meetings were attended by the Commissioner of Corrective Services, the Director, Sodexo Justice Services Australia and other senior staff from the Department and Sodexo. The Contract Manager reported on Sodexo's performance at this meeting, which was also used to provide direction and advice on strategic and policy issues affecting the provision of services under the Agreement.

### **2.2 Operational Compliance**

The Corrective Services operates a team of on-site compliance officers through its Operational Compliance branch, who conduct compliance checks to ensure service delivery requirements are met.

Feedback from the Compliance Officers assists in assessing compliance and performance, as well as ensuring continuous improvement by Sodexo.

## 2.3 Performance Measures

The Agreement provided for a suite of twenty four (24) performance measures that enabled the State to assess compliance with service delivery requirements within the Agreement and comprised of the following:

- Operating Performance Incentives: A set of nine (9) performance measures that enable the State to assess compliance with service delivery requirements within the Agreement. 10% of the Base Availability Payment, Premium Availability Payment and Service Linked Payment is withheld to allow for the payment of these incentives (the Operating Performance Incentive Adjustment) (see 7 *Contract Payments and Associated Financial Information*).
- Performance Linked Payments: A set of seven (7) performance incentive payments for the provision of community re-entry and reintegration services.
- Performance Indicators: A set of eight (8) additional non-financially incentivised performance measures.

A monthly report was completed by Sodexo indicating performance against each measure, which was reviewed and verified by the PPCM Branch.

## 2.4 Corrective Measures

In addition to the performance measures and incentives described above, the Agreement provided for several contractual sanctions that may be applied in the event of non-compliance with service delivery requirements. These corrective measures comprised the following:

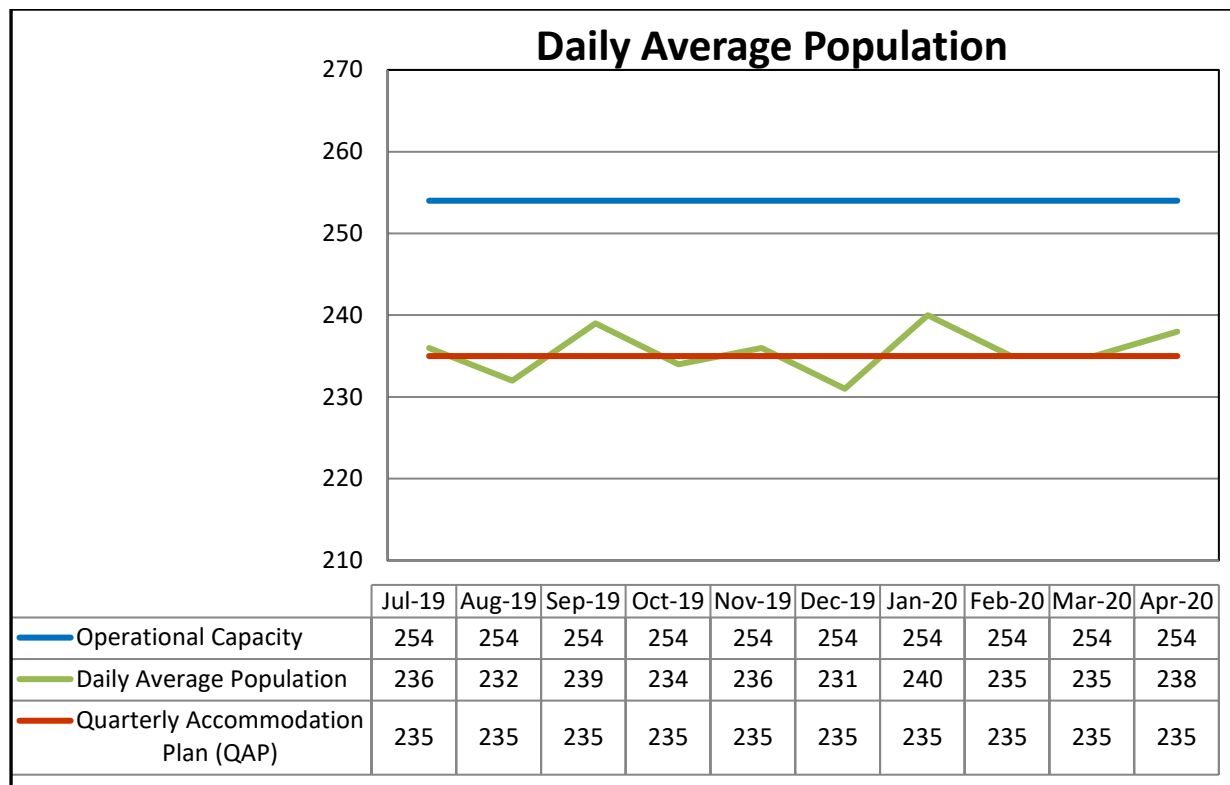
- Performance Improvement Notice (PIN): A written notice by the State requesting the Contractor improve performance of the Contractor Services.
- Abatement Amount: An amount required to be paid as the result of a Specified Event as listed in Schedule 1 of the Agreement.
- Default Notice: A notice given by either party for any breach or default by the Contractor and its Obligations.

## 3 Prison Population

The operational capacity of Melaleuca was 254 beds and was managed by the State via the Quarterly Accommodation Plan (QAP).

In accordance with the Agreement, the Department was required to notify Sodexo of the number of prisoner beds required for availability three months prior to the following quarter. The QAP was maintained at 235 beds through the 2019/20 Operation Year. Sodexo was entitled to a Premium Availability Rate for each prisoner bed provided over the amount requested in the QAP up to the maximum capacity of 254 beds.

The graph below shows the Daily Average Population (DAP) against the QAP for the 2019/20 Operation Year.



## 4 Contractual Performance

### 4.1 Performance Measures

The PPCM Branch reviewed contractual performance on a monthly basis. Sodexo provided Monthly Reports that included their performance against all performance measures. The performance report was reviewed by the PPCM Branch and a final report of the performance measures for the month was produced by the State.

During the 2019/20 Operational Year, Sodexo's performance against the Operating Performance Indicators (OPIs) did not meet the State's expectations during the first half of the year. However there was noticeable improvement in all OPI's from January 2020 onwards. Sodexo achieved 78.3% of the available OPI payments in the July to December 2019 period and 89.7% in the January to April 2020 period.

In the 2018/19 Annual Report, Incident Reporting was identified as a key area for improvement, and this measure saw a significant increase in performance during the 2019/20 Operational Year with nine out of ten months achieving a 90% or higher accuracy rate.

There was one serious prisoner assault during the 2019/20 Operational Year which is the same as the 2018/19 Operational Year. There were no serious self-harm or attempted suicides during the 2019/20 Operational Year. Furthermore, drug prevalence testing results met and/or exceeded the target benchmark in two quarters of the 2019/20 Operational Year.

Performance Indicator achievement in the 2019/20 Operational Year was satisfactory, with improved performance in prisoner readiness for external escort. However there was a decline in performance in custodial staff training and operational readiness and initial health assessment completions in comparison to the 2018/19 Operational Year. The results of Sodexo's performance against measures for the 2019/20 Operational Year is shown in the Performance Measure Dashboard at *Attachment A*.

## **4.2 Corrective Measures Applied**

Where service delivery is determined not to meet contractual requirements, the Agreement provides several corrective measures (See 2.4 *Corrective Measures*). The following measures were applied for the 2019/20 Operation Year:

### **4.2.1 Performance Improvement Notices (PINs) and Default Notice – Health Records**

In the 2019/20 Operational Year the State issued one Performance Improvement Notice (PIN) and Default Notice on 4 March 2020 in relation to establishing and maintaining Health Records in accordance with Corrective Services' policies, considering this a breach of the Contractor's Obligation.

On 13 March 2020 as directed by the State, Sodexo provided a response to the PIN in which they undertook to rectify the failure to index, sort and upload to ECHO the bulk documents received at Central Medical Records (CMR). This action was subsequently completed and the PIN finalised.

### **4.2.2 Abatement Amounts**

In the 2019/20 Operational Year the State issued 26 Abatement Amounts as a result of the occurrence of Specified Events. A summary of these Abatement Amounts is below, listed according to incident date (unless otherwise specified):

1. Failure to report: \$5,000 (\$5,119.50 including CPI) – 9 July 2019.
2. Failure to report: \$5,000 (\$5,119.50 including CPI) – 10 July 2019.
3. Failure to report: \$5,000 (\$5,119.50 including CPI) – 11 July 2019.
4. Failure to report: \$5,000 (\$5,119.50 including CPI) – 11 July 2019.
5. Failure to report: \$5,000 (\$5,119.50 including CPI) – 15 July 2019.
6. Failure to report: \$5,000 (\$5,119.50 including CPI) – 19 July 2019.
7. Failure to report: \$5,000 (\$5,119.50 including CPI) – 25 July 2019.
8. Unlawful detention of a prisoner: \$1,500 (\$1,535.85 including CPI) – 26 July 2019.
9. Failure to report: \$15,000 (\$15,358.50 including CPI) – 26 July 2019.
10. Failure to report: \$5,000 (\$5,119.50 including CPI) – 29 July 2019.
11. Failure to report: \$5,000 (\$5,119.50 including CPI) – 1 August 2019.
12. Failure to report: \$5,000 (\$5,119.50 including CPI) – 2 August 2019.
13. Failure to report: \$5,000 (\$5,119.50 including CPI) – 4 August 2019.
14. Failure to report: \$5,000 (\$5,119.50 including CPI) – 8 August 2019.
15. Failure to report: \$5,000 (\$5,119.50 including CPI) – 8 August 2019.
16. Failure to report: \$5,000 (\$5,119.50 including CPI) – 14 August 2019.
17. Failure to report: \$5,000 (\$5,119.50 including CPI) – 15 August 2019.

18. Failure to report: \$5,000 (\$5,119.50 including CPI) – 15 August 2019.
19. Failure to comply with PIN: \$10,000 (\$10,239 including CPI) – 21 August 2019.
20. Failure to report: \$5,000 (\$5,119.50 including CPI) – 23 August 2019.
21. Failure to report: \$5,000 (\$5,119.50 including CPI) – 1 September 2019.
22. Failure to report: \$5,000 (\$5,119.50 including CPI) – 2 September 2019.
23. Failure to report: \$5,000 (\$5,119.50 including CPI) – 17 September 2019.
24. Failure to report: \$5,000 (\$5,119.50 including CPI) – 2 October 2019.
25. Failure to report: \$5,000 (\$5,119.50 including CPI) – 3 October 2019.
26. Failure to report: \$5,000 (\$5,119.50 including CPI) – 9 October 2019.

In the 2019/20 Operational Year, Sodexo disputed all 26 Abatement Amounts issued and provided mitigating circumstances. Corrective Services declined to accept mitigation for three Abatements (26 July, 26 July and 21 August) resulting in a total abatement amount of \$27,133.

The remainder of the Abatement Amounts were subject to a commercial settlement as part of the Heads of Agreement entered into between Corrective Services and Sodexo which resulted in the early cessation of the Melaleuca Services Agreement.

#### **4.2.3 Default Notices**

In the 2019/20 Operational Year there was one Default Notice issued by the State to Sodexo relating to their recordkeeping practices of health records.

On 13 March 2020 Sodexo provided a response addressing the Default Notice asserting that given they ascertained that all medical records have been sent to the Departments health records, the only issue to cure was the administrative task of indexing, sorting, and the uploading to ECHO all the bulk documents received at Central Medical Records (CMR). This failure was subsequently addressed by Sodexo.

## **5 External Oversight**

Sodexo's operations at Melaleuca were subject to a range of reviews by external bodies. During the 2019/20 Operation Year, reviews included:

### **5.1 Office of the Inspector of Custodial Services**

The office of the Inspector of Custodial Services (OICS) performs its first inspection of Melaleuca in November 2017. The report was released on 26 June 2018 and contained 25 recommendations.

All 25 recommendations were addressed and closed by the first quarter of 2020.

### **5.2 Independent Visitors Service**

The Independent Visitors Service (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.

The IVS visited Melaleuca on six occasions during the 2019/20 Operation Year. Issues raised by prisoners included medical and dental services, transfer requests and facility and property complaints. Each complaint was responded to by Sodexo and responses were overseen by the State.

## 6 Contract Payments and Associated Financial Information

The costs associated with the Melaleuca Remand and Reintegration Facility Services Agreement for the 2019/20 Operational Year are below (rounded to the nearest dollar):

Services Payment	Payment
Base Availability Payment	\$10,108,734
Premium Prisoner Availability Payment	\$87,253
Service Linked Payment	\$1,341,809
Operating Performance Incentive Adjustment	- \$1,153,783
Semi Annual Performance Payments	\$1,019,014
Direct Cost Reimbursement	\$335,239
Abatements	- \$27,133
<b>Gross Total:</b>	<b>\$11,711,133</b>

### Attachments:

*Attachment A - Performance Measure Dashboard 2019/20*



# MELALEUCA REMAND AND REINTEGRATION FACILITY SERVICE AGREEMENT PERFORMANCE MEASURE DASHBOARD AS AT 30 APRIL 2020

				2019/20 Quarter 1			2019/20 Quarter 2			6 month	2019/20 Quarter 3			2019/20 Quarter 4			4 month
		Calculation frequency	Benchmark	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	PLP total	Jan-20	Feb-20	Mar-20	Apr-20			PLP total
Operating Performance Incentives (OPIs)																	
1	Serious Assault (occurrences)	Monthly	2	1	0	0	0	0	0		0	0	0	0			
2	Serious Self-harm / Attempted Suicide (occurrences)	Monthly	0	0	0	0	0	0	0		0	0	0	0			
3	Use of force (occurrences)	Monthly	0	0	0	0	0	0	1		0	0	0	0			
4	Drug Prevalence Testing (positive percentage)	Quarterly	≤7%	N/A	N/A	3.1%	N/A	3.1%	N/A		N/A	9.5%	N/A	N/A			
5	Abridged IMPs (remand prisoners) (completion %)	Monthly	≥95%	91.1%	98.3%	95.5%	96.0%	95.7%	97.5%		100.0%	98.5%	98.0%	100.0%			
6	7 day IMPs (sentenced prisoners) (completion %)	Monthly	≥95%	100.0%	96.4%	95.2%	45.8%	92.3%	75.0%		100.0%	100.0%	100.0%	100.0%			
7	Incident Reporting (accuracy %)	Monthly	≥80%	92.0%	89.7%	94.6%	100.0%	91.2%	94.6%		100.0%	97.1%	90.0%	100.0%			
8	Constructive Activity	Monthly	30 hrs/week	31h7m	30h12m	30h4m	31h10m	29h41m	30h5m		30h14m	28h51m**	27h59m***	22h2m***			
9	At Risk Management System (ARMS)	Monthly	≥92%	92.0%	96.3%	90.6%	100.0%	86.4%	90.7%		96.9%	92.9%	87.9%	100.0%			
Performance Linked Payments (PLPs)																	
1	Prisoners achieving same day bail release (occurrences)	Monthly	N/A	12	11	19	13	14	22	91	21	14	13	1			
2	Prisoners achieving same day fine release (occurrences)	Monthly	N/A	0	0	0	0	0	0	0	0	0	0	0			
3	Prisoners achieving parole (% of total released - target 30%)	Six monthly	30%	N/A	N/A	N/A	N/A	N/A	N/A	40.7%	N/A	N/A	N/A	N/A			25.0%
4	Alcohol/drug course completions	Monthly	N/A	17	6	13	6	12	1	55	5	18	15	0			
5	Education/training/pre-employment program completions	Monthly	N/A	0	0	0	0	0	0	0	0	0	0	0			
6	Accommodation arrangements made	Monthly	N/A	3	2	0	0	0	0	5	0	0	0	0			
7	Decrease in recidivism rate (%)	Six monthly	≤27%	N/A	N/A	N/A	N/A	N/A	N/A	67.7%	N/A	N/A	N/A	N/A			61.5%
Specified Events																	
a	Death in Custody	Monthly		0	0	0	0	0	0		0	0	0	0			
b	Loss of control	Monthly		0	0	0	0	0	0		0	0	0	0			
c	Escape from prison	Monthly		0	0	0	0	0	0		0	0	0	0			
d	Escape from supervised external activities	Monthly		N/A - External activities not being undertaken							N/A - External activities not being undertaken						
e	Escape from unsupervised external activities	Monthly		N/A - External activities not being undertaken							N/A - External activities not being undertaken						
f	Breach of obligations to report/provide information	Monthly		9	9	3	3	0	0		0	0	0	0			
g	Failure to comply with PIN (1st occasion)	Monthly		0	1	0	0	0	0		0	0	0	0			
h	Failure to comply with PIN (2nd and subsequent)	Monthly		0	0	0	0	0	0		0	0	0	0			
i	Unlawful release of prisoner	Monthly		0	0	0	0	0	0		0	0	0	0			
j	Unlawful detention of prisoner	Monthly		1	0	0	0	0	0		0	0	0	0			
Performance Indicators (PIs)																	
1	Initial health assessments	Monthly	100%	100.0%	98.0%	100.0%	100.0%	99.2%	99.2%		100.0%	95.6%	96.9%	100.0%			
2	Custodial staff operational readiness	Quarterly	100%	N/A	N/A	59.0%	N/A	N/A	78.9%		N/A	N/A	47.6%	N/A			
3	Food preparation hygiene	Annually (As inspected)		N/A	N/A	N/A	N/A	N/A	N/A		Compliant	N/A	N/A	N/A			
4	Access to social visits (% of days 6 hours or more)	Monthly	100%	96.8%	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	87.1%***	100.0%			
5	Average out of cell hours	Monthly	10 hrs/day	10h12m	10h5m	10h1m	10h12m	10h20m	10h15m		10h19m	10h13m	10h8m	0			
6	Emergency management exercises performed	Annually (Min 6, 1 live)		2	0	1	2	0	0		0	0	1	0			
7	Tools accounted for	Monthly	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%			
8	Prisoner readiness for external escort	Monthly	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%			
Performance Improvement Notice (PIN)																	
	Performance Improvement Notice	Monthly		0	0	0	0	0	0		0	0	1	0			