



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

ANNUAL REPORT 2008/09

**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 2009



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

**Contract for the Provision of
Court Security and Custodial Services**

Annual Report 2008/09

TO THE MINISTER

Hon Christian Porter BA (Hons) BEc LLB MSc 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 2008/09 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 12 months ending 30 September each year.

This report presents an overview of services provided under the Contract by Global Solutions Limited (GSL) Corporation who, after January 2009, became known as G4S Custodial Services (G4S).

Compliance information and statistical information in the report are presented for a contract year, which operated from 31 July 2008 to 30 July 2009.


Ian Johnson
COMMISSIONER
DEPARTMENT OF CORRECTIVE SERVICES

30 September 2009

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2. FOREWORD AND COMMISSIONER'S MESSAGE

The 2008/09 contract year continued to provide significant challenges to both the Department of Corrective Services and G4S Custodial Services. During 2009, a Coronial Inquiry was carried out into the tragic death in January 2008 of a respected aboriginal elder who died in custody whilst being transported by G4S between Laverton Police Station and the Eastern Goldfield Regional Prison.

This tragic event led to a raft of changes in the way prisoner transport services are delivered. Improvements have been made in the area of contract monitoring, vehicles standards, safety equipment, staff training, operating procedures as well as alternative means of transport in the form of coaches being utilised for long-haul trips.

In 2008 funding was finally approved for the renewal of the vehicle fleet for the movement of persons in custody. The original fleet was purchased when the Contract for the Provision of Court Security and Custodial Services (CSCS) commenced in 2000, and a number of the vehicles no longer function to the required standards. The Department has ordered 40 new vehicles that are being delivered progressively through until December 2010.

In addition to the new vehicles, the Department has progressed key initiatives arising from the inaugural Custodial Transport Forum held in Perth during August 2008 involving senior representatives from correction services and police jurisdictions from Australia, New Zealand and the United Kingdom. The development of Departmental Minimum Standards for Secure Escort Vehicles was implemented to:

- Achieve consistency in the standard of secure escort vehicles;
- Minimise any risk to the safety and security of persons in custody and the safety of escort staff, both during the journey and while entering or exiting the escort vehicle; and,
- Maximise public safety and road safety while escorting persons in custody.

The Department is also examining opportunities to reduce the need for travel in the first instance by greater utilisation of audio-visual technology. When considering there over 42,000 prisoner movements involving distances of around 1.7m km the security and safety risks are ever present and travel needs to be reduced.

With the Contract due to expire on 30 July 2011, and no further extension options available, it is an opportune time to totally re-evaluate service design and governance, performance objectives, and sourcing of the services provided.

The Department is leading the project to manage the forthcoming replacement of the CSCS Contract which includes the movement of persons in custody, court security, and custodial services to corrections and police.

There is no doubt there will be further challenges over the next two years prior to the replacement of the current arrangement and the Department will continue to work with G4S to minimise risk and improve service delivery wherever possible.

The tragic death in January 2008 is a constant reminder of the risks associated with prisoner transport and as Commissioner; I will do everything I can to ensure it is never repeated.

Ian Johnson
COMMISSIONER
DEPARTMENT OF CORRECTIVE SERVICES

3. EXECUTIVE SUMMARY

The 2008/09 service year for the Contract for the Provision of Court Security and Custodial Services has been extremely challenging for a variety of reasons, the most significant being the tragic death of a person in custody being transported in January 2008. The findings from the Coronial Inquiry into the death resulted in a number of recommendations, some of which the Department had already commenced addressing.

In addition to ensuring the Coronial recommendations are implemented, the Department will continue to work with G4S to secure improvements, particularly in the areas of:

- Duty of Care Policy and Procedures, especially regarding long-haul escorts, and those escorts that occur in remote and isolated areas;
- Vehicle fleet replacement and ongoing fleet maintenance and management;
- Alternative modes of transportation;
- Reducing the need to transport persons in custody; and,
- Contract monitoring and ensuring that services are being delivered in accordance with both contractual requirements and the standards expected by the community.

The growing demand for services in the year 2008/09 has seen increases in services across the entire Contract for the Provision of Court Security and Custodial Services. Overall, the number of hours provided by the Contract has increased by 26%, after taking into account the removal of District and Central Law Court services from the Contract. The hours used in providing custodial movement has increased 22% over the past twelve months. After adjustment for the removal of court security and custodial services at the District Court and Central Law Court buildings, the hours used in providing court security and court custody services increased by 15% in 2008/09.

The significant increase in custodial movement is the result of ensuring G4S provides services as per the requirements of the Contract. In previous years, due to staff shortages, G4S was not able to provide all services in relation to the movement of persons in custody, in particular static escorts such as hospital guarding. As a result, staff from the Department of Corrective Services and WA Police had to provide services in areas of shortfall. G4S has addressed this issue by ensuring sufficient staff are employed and located in the necessary areas to ensure appropriate levels of service provision.

After taking into account the removal of the District and Central Law Courts from the Contract for the Provision of Court Security and Custodial Services, the cost of the Contract increased by 22%. When compared to the 26% increase in service hours, this reflects efficiencies due to measures taken to increase G4S staffing and to reduce the amount of services provided using overtime.

Nonetheless, the increase in demand for service hours is complicated by the fact that the Contract for the Provision of Court Security and Custodial Services provides services to three separate agencies, the Department of Corrective Services, the Department of the Attorney General, and the Western Australian Police (hereafter

WA Police). Each agency has competing demands. Other Departments, such as the Health Department, also have an impact on service provision. In an effort to address increasing demands, the Department's Contract Management Team has endeavoured to develop strong working relationships with these client agencies during 2008/09, particularly to ensure that the Contract for the Provision of Court Security and Custodial Services meets customer expectations.

During this service year, Contract Management has focused on four key areas:

1. Strategic Management of the Contract for the Provision of Court Security and Custodial Services as it moves towards, and transitions into, a new arrangement that will be put in place at the Contract's expiry in July 2011.
2. Identifying and meeting the demand of client agencies, while providing 'value for money' for the State.
3. Monitoring and compliance of services, with processes designed to provide early warning systems for matters of concern.
4. Support to the operation of the Contract for the Provision of Court Security and Custodial Services, ensuring that it is adequately resourced, legislation complied with, and payments made correctly and in a timely manner.

There have been significant achievements made during 2008/09, including the following:

- New Magistrate services were successfully introduced in the north of the State at Kununurra;
- A new secure outpatients' facility was established in Royal Perth Hospital, that allows persons in custody requiring 'same day' medical treatment to be provided for in a secure location;
- Contract variations were agreed upon, and signed off, in March 2009. These included changes to Schedule 2 of the Contract for the Provision of Court Security and Custodial Services (Reporting Requirements) and Schedule 1 of the Contract (Performance Measures and Performance Linked Fee);
- Forty new vehicles were ordered and are to be built and introduced into service by December 2010;
- Tender for Air services in the Kimberley;
- The development of Departmental Minimum Standards for Secure Escort Vehicles. The purpose of these standards is to:
 - a. Achieve consistency in the standard of secure escort vehicles;
 - b. Minimise any risk to the safety and security of persons in custody, and the safety of escort staff, during the journey and while entering or exiting the escort vehicle; and
 - c. Maximise public safety and road safety while escorting persons in custody.

Despite many challenges, much work has gone into securing continual improvement in the way the Contract for the Provision of Court Security and Custodial Services is governed and the manner in which services are provided. The Contract Management Team looks forward to meeting these challenges with a positive and forward-thinking approach.

This 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 can not be driven at the expense of providing a safe and humane service. The 2009/10 contract year heralds a period of transition and presents many opportunities to use lessons learned to develop a more focused Court Security and Custodial Services Contract and more efficient methods of service delivery.

4. BACKGROUND – HISTORY OF CONTRACT

In January 2000, the then WA Department of Justice entered into a five year Contract for the Provision of Court Security and Custodial Services, including two further three year options, with the Corrections Corporation of Australia (CCA). CCA began delivering the required services on 31 July 2000. The company later changed its name to Australian Integration Management Services (AIMS) Corporation.

In 2005, at the end of the first five years of the Contract for the Provision of Court Security and Custodial Services, the first option to extend the Contract for three years was exercised, thus taking the Contract through to 2008. During the period of this first option, the then Department of Justice was split into two separate Departments - the Department of Corrective Services and the Department of the Attorney General – with effect from 1 February 2006. The change created a complex service delivery and contract management structure with services delivered to both Departments and, indeed, 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.

In practice, the Department of Corrective Services provided overall contract management, while both the Department of Corrective Services (particularly Custody Transport) and the Department of the Attorney General (particularly Court Security and Court Custody) provided the management of the Contract for the Provision of Court Security and Custodial Services' operations and services. 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, however, 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 the previous year, 2007, the Contract for the Provision of Court Security and Custodial Services was novated to Global Solutions Limited (GSL). The State also chose to exercise the second and final three year option, and extended the Contract to 2011. In May 2008, Global Solutions Limited (GSL) was acquired by Group4Securicor, an international security solutions group. Although there was a change in ownership, the entity remains the same, as does the current management structure and contract.

In January 2009, the Contractor, Global Solutions Limited (GSL) changed its name to G4S Custodial Services (G4S) to reflect the aforementioned change in ownership.

5. ACHIEVEMENTS AND ACTIVITIES 2008/09

A. Contract Variations

The Department and G4S Custodial Services (G4S), negotiated changes to Schedules 1, 1B and 2 of the Contract for the Provision of Court Security and Custodial Services. Both parties signed a Deed of Variation replacing previous Schedules on 6 March, 2009.

Schedule 1 of the Contract for the Provision of Court Security and Custodial Services relates to the Performance Measures (minimum standards) that G4S Custodial Services are required to achieve, and are related to payment of the Performance Linked Fee. The new measures address matters where the Department believes G4S could improve services. The 10 Performance Measures are included in the table following:

Performance Measures	
1	Number of serious self harms.
2	Number of serious assaults.
3	Number of times the Contractor fails to report a critical or major incident.
4	Number of times the Contractor or an employee of the Contractor breaches legislation.
5	Percentage of complaints correctly managed by the Contractor.
6	Percentage of persons not delivered to court on time resulting in a court delay.
7	Percentage of persons not delivered to a medical appointment causing the cancellation or re-scheduling of the appointment.
8	Number of non-compliances with a Performance Improvement Request.
9	Percentage of agreed funeral escorts undertaken by the Contractor.
10	Percentage of hospital sits provided by the Contractor within 3 hours.

G4S improved performance in its service delivery in 2008/09, to the degree that it achieved full payment of the Performance Linked Fee. Further detail is provided later in this report [see page 18].

In addition to the revised Performance Measures, Schedule 1 now provides abatements for deaths in custody, escapes and loss of control (of a person or facility). The abatements establish set amounts for these events rather than a percentage of the Performance Linked Fee. These new arrangements commenced operation on 1 April 2009.

G4S was required to pay an abatement of \$25,000, due to an escape at South Hedland Court House in April 2009. This was the only abatement served on G4S during this service year.

The death in custody that occurred in January 2008, attracted a Performance Linked Fee Reduction of \$103,029. The Department has yet to determine the manner in which these funds will be recovered from G4S.

Schedule 1B of the Contract for the Provision of Court Security and Custodial Services provided Performance Measures for the circumstance in which the State chose to exercise 'Phase 2 Services'. The State opted not to exercise 'Phase 2 Services' in 2001 and, as a result, the Schedule became superfluous. However, to provide for circumstances should the State choose to exercise 'Phase 2 Services' in the remaining years of the Contract, Schedule 1B was altered to refer the reader to Schedule 1.

Schedule 2 of the Contract for the Provision of Court Security and Custodial Services provides a description of the services the State requires G4S to provide. Changes to Schedule 2 include:

- The removal of court security and court custody services at the May Holman Centre and Central Law Courts;
- The addition of custody movement services to the District Court Building;
- The addition of court security services at Kununurra;
- The addition of custody movement services at Royal Perth Hospital; and,
- The addition of court security services at the State Administrative Tribunal and the Criminal Injuries Compensation Tribunal.

B. Changes to Services Delivered under the Contract for the Provision of Court Security and Contracted Services

G4S Custodial Services (G4S) ceased providing court custody and court security services at the May Holman Centre and Central Law Courts upon the opening and commencement of the District Court Building. In addition, G4S also provided court security services to the State Administrative Tribunal and the Criminal Injuries Compensation Tribunal for some time. Both these changes were reported in the 2007/08 Annual Report, but were not changed in the Contract for the Provision of Court Security and Custodial Services until this year.

G4S commenced additional court security services at Kununurra on 1 September 2008. The additional services came about through the establishment of a Magistrate located in Kununurra. G4S provides court security to both the Magistrate and Superior Courts when they operate in Kununurra.

On 1 September 2008, the Department opened a secure outpatient facility at Royal Perth Hospital. It provides secure premises in which to hold medium and maximum security persons in custody while they are awaiting treatment as hospital outpatients. G4S manages the facility using *Section 15(2) of the Court Security and Custodial Services Act 1999*. The aim of the centre is to reduce the risk to the public of having persons in custody stay in general outpatient waiting areas. This initiative is in line with the Department's aim of introducing innovative practices that reduce the need to move persons in custody, particularly through un-secure locations, thus reducing inconvenience to persons in custody and risks to the public. The Department undertook a review of the capacity of Royal Perth Hospital's new facility to deliver value for money. The outcome of the review is reported on page 12 of this report.

C. Demand for Services [Demand Model]

In 2008/09, it was identified that the necessary requirements regarding demand for services were not met. Therefore, clients such as Prisons and WA Police continued to deliver services themselves as the Contractor was, for a variety of reasons, unable to deliver the services required.

The major reason G4S was unable to deliver services was due to a shortage of staff in key areas. G4S has now addressed these staffing issues and the level of service delivery is currently at acceptable levels.

In addition, the Department worked with client agencies to develop a demand model. The Department installed this model to assist with determining the 2009/10 budget, and associated staffing needs, but it will also assist with managing the demand for future services and identifying those services required beyond 2011.

G4S expects to provide nearly 650,000 hours of service in 2009/10, which represents a further 12% increase in services over 2008/09 levels. This increase is mainly the result of increased demand for custody movement from Prisons and WA Police.

D. Custody Transport Review

Work continued during the year to address the recommendations arising from the Custody Transport Review, conducted in early 2008. A recommendation of the Review was to consider transferring ownership of the secure vehicle fleet back to the Contractor. The Contractor was therefore asked to submit a proposal in line with this recommendation.

The Department sought external specialist assistance, through the agency KPMG, to evaluate the proposal. The assessment resulted in a recommendation that responsibility for the secure vehicle fleet remain with the Department of Corrective Services.

The Department is currently still in the process of acquiring a new secure vehicle fleet (40 vehicles) to replace the existing fleet.

E. Monitoring Reviews

The Contract for the Provision of Court Security and Custodial Services continues to be the subject of much scrutiny, with a range of internal and external reviews taking place during the service year. These reviews are ongoing, and include:

i) Training Audit

The Department conducted an external review of the training provided under the Contract for the Provision of Court Security and Custodial Services. G4S provides a customised training course as initial training to its employees and, thereafter, a range of refresher courses during their employment. The Department requested the audit in order to determine whether the training provided by G4S to its employees meets the needs of the State and the requirements of the Contract.

The audit's deliberations concluded that G4S did not meet the requirements of the national training benchmarks expected in Western Australia and was, therefore, not

in compliance with the training requirements of the Contract for the Provision of Court Security and Custodial Services.

The Training Audit Report provided 24 recommendations for consideration by the Department. Action by G4S was required in relation to 17 of these recommendations. The Contractor has made significant progress in addressing the matters raised in the audit. In addition, the Department is making progress on 7 recommendations relating to how it manages the Contractor, and achieves improved Contractor compliance with the requirements of the Contract for the Provision of Court Security and Custodial Services. In relation to some of these recommendations, however, the Department can not achieve certain objectives without having to carry out variations to the Contract, or await new arrangements beyond July 2011. As a result, the fulfilment of all the recommendations may take some time to complete.

ii) *Royal Perth Hospital Secure Outpatients Review*

In March 2009, the Department conducted an external review of the recently opened secure outpatients' facility at Royal Perth Hospital.

Some of the key findings include:

- The facility at Royal Perth Hospital does enhance public safety;
- The facility's costs are largely fixed and high in comparison to the variable costs of direct escorts, but the facility will become more cost effective as staged escorts increase; and,
- Opportunities exist to increase demand for the facility, making its operation costs more acceptable.

The review suggests actions that will assist the Department in making an informed decision about the future of the facility, (with the proviso care be taken not to compromise public safety when looking at methods of improving cost effectiveness). These actions relate to operating hours and security arrangements, for example, that will make the facility more efficient and cost effective for the State.

The Department of Corrective Services will consider these suggested actions and, where necessary, implement those that will bring about improvement in operations.

iii) *Office of the Inspector of Custodial Services Review*

In October 2008, the Department was advised of the forthcoming Announced Inspection of Activities under the *Court Security and Custodial Services Act 1999*. The scope of this inspection includes:

- Metropolitan court custody centre services operated by the Contractor under the Contract for the Provision of Court Security and Custodial Services.
- The new District Court Building operated by the Western Liberty Group under contract.
- Juvenile court custody and transport services.
- Regional court custody services operated by the Contractor.
- Custody services provided at the Royal Perth Hospital secure outpatients' unit.
- Custodial Transport services provided by both the Contractor and the Department.
- Departmental management and monitoring of the contracted services.

A report of the outcome of this inspection is expected in late 2009.

iv) State Supply Commission Capability Review

In September 2008, the Department was advised of the procurement capability review to be undertaken by the State Supply Commission. The review was designed to independently assess whether the Department had the infrastructure in place to:

- strategically manage its expenditure;
- appropriately manage its contracting risks; and,
- demonstrate that it is achieving value for money.

One aspect of this review included an assessment of the contract management disciplines in place to manage the Contract for the Provision of Court Security and Custodial Services.

The review found that the Contract for the Provision of Court Security and Custodial Services was comprehensively managed.

v) Coronial Inquiry

A Coronial Inquiry into the circumstances of the death of a respected Aboriginal elder while being transported in an escort vehicle from Laverton to Kalgoorlie, found that the Department had contributed to the death. The Coroner made a number of recommendations that the Department is in the process of addressing.

The Coronial recommendations relating to the Department of Corrective Services were:

Recommendation 9

I recommend that the Department of Corrective Services replace the current fleet of prisoner transportation vehicles with vehicles that are both safe and humane.

Recommendation 10

I recommend that the Department of Corrective services ensure that in future vehicles are replaced on a regular basis and there are no old or unsafe vehicles in use.

Recommendation 11

I recommend that the Department of Corrective Services conduct ongoing review of all G4S policies and procedures relating to the welfare of detainees and duty of care to ensure that procedures in place are sufficiently comprehensive and address the known risks.

Recommendation 12

I recommend that the Department of Corrective Services ensure that there are sufficient contract monitors to regularly review operations in regional locations so as to ensure that the prisoner transportation fleet is maintained in

a safe manner and that G4S staff are complying with the Company's policies and procedures.

vi) Review of Vehicle Specifications and Custody Transport Procedures

Following a review of vehicle specifications and custody transport procedures in other jurisdictions, Western Australia hosted a national conference, the inaugural Custodial Transport Forum, in Perth during August 2008. Its aim was to explore the possibility of establishing a national framework of standards and specifications for custodial transport. Western Australia developed its own standards, leading the move towards national standards through the Corrective Services Administrator's Conference, and the Standard Guidelines for Corrections in Australia.

The conference, hosted by the Department, brought together representatives from Police and Corrections agencies throughout Australia and New Zealand. The purpose of the forum was for delegates to share knowledge, showcase initiatives, and discuss the challenges and issues associated with the management of custodial transport. The Forum agreed that Western Australia should sponsor the proposed development of appropriate national guidelines for custodial transport that all jurisdictions could support. This work is ongoing.

In early 2009, the Department developed and approved its own minimum standards for all replacement secure escort vehicles. These standards have been developed to ensure consistency in the provision of secure escort vehicles and to minimise any risk to the safety and security of persons in custody, escort staff, and the general public.

vii) Change in Permits

Due to changes made in January 2009, regarding the Contractor's name and the change in departmental responsibility for the Contract for the Provision of Court Security and Custodial Services, a review was required of permits issued for high level security work (as per the *Court Security and Custodial Services Act 1999*). The Department therefore commenced reviewing and re-issuing approximately 250 cards. The re-issuing process should be completed by the end of the calendar year (2009).

Those employed under the Contract for the Provision of Court Security and Custodial Services will be provided with an all-white permit. Those employed under the contracts related to the District Court Building will be issued with a blue permit. Each permit will contain the information relevant to that position.

The lengthy time taken to conduct 'integrity checks' on people applying for permits, was of concern. A meeting was therefore held between the relevant Departments and agreement reached that the backlog of checks required for the re-issuing process, would be prioritised. The backlog has now been cleared, there are no significant delays in receiving check results, and the average turnaround time has been reduced to two weeks.

6. CONTRACT COMPLIANCE

A. Court Custody and Court Security

i) Description of Service

The Contract for the Provision of Court Security and Custodial Services provides for court security and court custody services at appointed courts throughout Western Australia and in designated jurisdictions. Court security is the provision of security services (excluding custody). Generally it consists of 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 court rooms. This includes dock guards in court rooms for the management of persons in custody, and the management of custody centres where one forms part of a court complex.

2008/09 is the last service year in which these two areas will be measured in a combined format. In 2009/10 it is intended to separate performance measurement and financial details for court security and court custody to enable a better understanding of the demand for each of the individual services.

ii) Number of Service Hours Provided

In 2008/09, 272,684 resource hours were used in providing court related services. Taking into account the removal of the District Court and Central Law Court buildings from services provided under the Contract for the Provision of Court Security and Custodial Services, demand for court related services increased 15% in 2008/09.

The major areas of service are shown in the following table. It shows strong growth in the demand for services in Broome, Geraldton, Joondalup, Midland and Perth Children's Court. It also shows the significantly higher costs of providing services in regional locations.

Area	2008/09 Hours	% Increase	Cost
Albany	12,092	9%	\$ 404,941
Armadale	15,213	4%	\$ 486,485
Broome	18,268	23%	\$ 1,021,483
Bunbury	11,563	-4%	\$ 392,997
Fremantle	21,531	1%	\$ 694,712
Geraldton	11,281	13%	\$ 488,322
Joondalup	18,738	11%	\$ 593,328
Kalgoorlie	15,408	-7%	\$ 768,930
Mandurah	13,888	9%	\$ 423,266
Midland	17,885	40%	\$ 601,330
Perth Children's Court	13,210 ¹	73%	\$ 361,639
Rockingham	16,448	No Corresponding Data	\$506,756
Supreme Court	45,952	7%	\$ 1,594,863

¹ G4S Custodial services provides court security services only at the Perth Children's Court.

iii) Relevant Performance Measures

The new performance measures (as outlined on page 9) were designed, in part, to encourage the Contractor to achieve improvement in the delivery of services to court security and court custody. Evidence demonstrates this has been achieved, with minimal incidents relating to persons in custody at courts.

Total Expenditure – Courts

The cost of providing court custody and security services in 2008/09 totalled \$10,856,806 plus a contribution of \$2,596,556 towards the Contractor's overheads in relation to providing services. That is a total of \$13,453,391.

After accounting for the removal of services to the District Court and Central Law Court buildings this represents an increased cost of \$2,086,198 (18%) and corresponds to the 15% increase in hours serviced.

The total cost of services provided increased at a greater rate than the number of service hours delivered because the fixed overhead costs did not change significantly with the removal of the District and Central Law Courts from the Contract for the Provision of Court Security and Custodial Services.

B. Custody Movement Services [Transport]

i) Description of Service

Custody movement services includes the movement of all persons in custody between lockups, courts, court custody centres, prisons, remand centres, and other locations for approved purposes as determined by the client agencies.

ii) Number of Service Hours Provided

In 2008/09, 236,447 resource hours were used in providing custody movement services, with 62% of this activity occurring in the Perth metropolitan area. The Department of Corrective Services expects the demand for custody movement services to increase to 293,505 resource hours in 2009/10. This is due primarily to an increase in the overall population of persons in custody and an increase in meeting the demand for services by WA Police.

A significant increase in demand for services has occurred, particularly across most regional locations, with the exception of Broome. Broome services have declined as a result of the introduction of Magistrate services in the East Kimberley. The increase in South Hedland and Roebourne reflects the fact the Magistrate operates out of South Hedland and there is significant movement between the two centres to facilitate court operations.

Individual Custody Movements

SERVICES	2008/09	VARIANCE +/-	COMMENTS
Court to Prison	16,779	-2.52%	Movement between court and prison accounts for 68% of all movements
Prison to Court	12,218	-5.98%	The increased use of Video Link has resulted in a decrease in the movement of individuals, mostly between Hakea Prison and Perth Courts. However, this decrease has not resulted in a corresponding reduction in the number of escorts provided by the Contractor. This is because the same number of escorts is required each day regardless of how many persons in custody are transported on each escort.
Medical Appointments	2,879	+5.49	Following the opening of the Royal Perth Hospital Secure Outpatients' Facility, scheduled and unscheduled medical appointments have increased due to the improved facilitation of services. Medical cancellations have reduced by 22.62%.
Prison to Hospital	230	-5.38%	This service has remained relatively constant.
Hospital to Prison	244		
Lockup Clearance	362	-18.28%	Due to a change in WA Police demands to provide an <i>ad hoc</i> service (rather than the previously performed scheduled service), Lock up clearance numbers have decreased mainly due to G4S's incapacity to provide the required service.
TOTAL	42,190		

Total Expenditure – Custody Movement Services

The cost of providing custody movement services in 2008/09 totalled \$10,104,178 plus a contribution of \$1,991,498 towards G4S's overhead costs. This provides a total of \$12,095,676. In comparison to the previous year, this represents a cost increase of 26% in relation to an increase in services of 22%. The differential is representative of the overheads of the Contract for the Provision of Court Security

and Custodial Services not reducing following the removal of District and Central Law Courts and a greater proportion being attributed to custody movement.

iii) Relevant Performance Measure

The new performance measures (as outlined on page 9) were designed to encourage the Contractor to achieve improvement in this area of service delivery. Evidence demonstrates this has been achieved during the service year, with the number of major and critical incidents reduced and no incidents resulting in a reduction of the Performance Linked Fee.

C. Overview of Contract

i) Performance Linked Fee

G4S will receive 100% of the Performance Linked Fee, having met all the performance criteria of the Contract for the Provision of Court Security and Custodial Services during the service year. The Performance Linked Fee for 2008/09 is \$1,084,629.

ii) Other Financial Impacts

- a. At the commencement of the service year the strength of the West Australian economy made it difficult for G4S to recruit and retain staff for the provision of services. G4S has made significant improvement in this regard during the service year. In March 2009, G4S achieved the aim of having staffing resources that match the demand for services, as defined in the annual budget.
- b. Overcrowding in prisons impacts on the Contract for the Provision of Court Security and Custodial Services through an increase in the demand for custody movement services. This will continue to have an impact in 2009/10, particularly in relation to movement into custody from WA Police and movement to and from court, rather than in inter-prison movements.

iii) Total Expenditure

Total Contract Price 2008/09 (Ninth Service Year)	
Cost of Services – Actual	\$ 24,102,867
Administration Fee (1.5%)	\$ 345,441
Performance Linked Fee (4.5%)	\$ 1,036,324
Abatements	- \$ 25,000
Total Cost of CSCS Contract	<u>\$ 25,459,632</u>

Cost of Service

The cost of delivering services under the Contract for the Provision of Court Security and Custodial Services has increased significantly during the life of the Contract. In previous years, the major driver was increasing demand from client agencies for services, with the cost per hour relatively stable. In 2008/09, the removal of the District and Central Law Courts had a significant impact on the cost per hour. The removal of these services reduced the total hours of service provision provided, but had no impact on the cost of the Contractor's overheads. Furthermore, the cost of providing these services (which are metropolitan based and carried out mostly during business hours), were at the lower end of the cost scales.

In total, the cost of the service has increased from an average of \$39.50 per hour to \$43.50 per hour.

Service Year	Court Security and Court Custody Hours	Custody Movement Hours	Contractor Administration and Overheads Hours	Total Service Delivery Hours	Cost (\$)
1 2000/01	293,720	137,741	Not Available	431,461	\$16,170,010
2 2001/02	271,513	126,037	Not Available	397,550	\$17,409,990
3 2002/03	299,031	122,950	Not Available	421,981	\$17,852,587
4 2003/04	307,835	116,047	Not Available	423,882	\$18,661,675
5 2004/05	333,687	126,149	Not Available	459,836	\$20,971,714
6 2005/06	320,124	164,034	Not Available	484,193	\$20,672,111
7 2006/07	313,877	119,252	Not Available	433,129	\$22,186,912
8 2007/08	379,757	185,316	51,857	608,363	\$24,023,419
9 2008/09	272,684	236,447	75,403	584,534	\$25,459,632
10 2009/10	284,321	293,550	71,021	648,892	\$27,000,000

*2009/10 figures are estimates.

7. MAJOR CHALLENGES 2009/10

A. Management of Service Delivery

i) Contract Variations

Following the successful variation to Schedule 1 of the Contract for the Provision of Court Security and Custodial Services in March 2009, work commenced on drafting variations to Schedule 2 to modernise the contractual provisions so they more accurately reflect what is occurring in practice. Such variations include the following:

- The re-ordering of contractual clauses.
- The addition of a new 'Definitions Section' to remove any ambiguity of terms.
- The introduction of 'Site Service Specifications' that detail the nature of services to be provided, including 'when' and 'where' the services are to be conducted, and minimum standards and conditions to be adhered to at each location. Such specifications are to be agreed annually, in line with the budget.
- The removal of detailed, repetitious material in respect to service location and requirements.
- Provision made to include the regular meetings of the Board, the Contract Management Group, and the Incident Review Group.
- The updating of the training section following changes to practice.

Amendments to Schedule 3 are also sought and, in particular, to the budgeting aspect of this Schedule to provide for requirements relevant to 2009 and beyond. The Department is currently working with G4S to prepare a new format for the budget that will amend the existing budget as set out in the Schedule.

ii) Impact of Schedule 2 and Schedule 3 Reviews on the Main Contract

It is anticipated that the inclusion of 'Site Service Specifications' to Schedule 2 will allow for easier management from both a Contractor and a contract management perspective, as all parties will be aware of the frequency and volume of services to be delivered. This should permit enhanced performance monitoring as the service demand is clearly delineated.

As the amendments to the budget in Schedule 3 are based on an up-to-date service demand structure, the Department will be better equipped to specify accurately the contractual cost on an annual basis.

In addition, changes to Schedules 2 and 3 will require amendments to the main body of the Contract for the Provision of Court Security and Custodial Services to ensure that cross referencing is correct. This would provide the opportunity to make other minor amendments to modernise the Contract and ensure that the intent of the Contract is clearly described.

Some aspects of changes to the main body of the Contract for the Provision of Court Security and Custodial Services, however, may need to wait until new arrangements in 2011.

B. Demand Model

The establishment of a demand model will be continued and the demand for services monitored. This will form the basis for the development of Site Service Specifications for each site operated under the Contract for the Provision of Court Security and Custodial Services. Throughout the life of the Contract there has existed an increasing demand for Court Services (court security and custodial services) that has affected the overall delivery of the Contract, with court related services taking precedence over the delivery of other services. This has impacted significantly on Prisons and the WA Police, who were afforded a lower priority, and resulted in them having to deliver a significant amount of their own services. This hidden and unmet demand is now being measured, and the Contract Management Team will be challenged in 2009/10 to address these issues and identify long-term solutions to the demand pressures. Consideration will be given to the following questions:

- How to manage the demands of independent agencies?
- How to determine the impact that providing a service to one agency has on providing services to other agencies?
- The overall demand levels across all services with respect to 'value for money'?

The Contract Management Team has made G4S aware that the Contract is for the provision of all services and the expectation is that the Contractor will resource itself sufficiently to provide all services carrying equal priority. This has resulted in G4S agreeing to resource most areas with additional staff, to ensure custody transport services are delivered.

C. New Arrangement for Contractual Services

A new arrangement for services is required to be in place by July 2011, when the Contract for the Provision of Court Security and Custodial Services expires. The Department of Corrective Services - together with other client agencies, the Department of the Attorney General and the WA Police - has commenced a process to consider future service delivery options and future service requirements. Depending upon the outcome, a procurement process may commence to seek a new arrangement.

D. Vehicle Fleet

The Contract for the Provision of Court Security and Custodial Services commenced in 2000 with a fleet of 38 vehicles and, since then, the demand for custodial transport services has increased by 44 per cent.

The Department is working with the Contractor to review current scheduling arrangements to improve efficiency in usage of the current fleet. In the interim, the Department will continue with the introduction of the new vehicle fleet.

This includes the following types of vehicle:

- A 14 seat long-haul, inter-prison vehicle with toilets;
- A 12 seat vehicle for metropolitan use;
- An 8 seat 4x4 vehicle designed for use in the regional areas;
- An 8 seat dual cab vehicle; and,
- An 8 seat vehicle with toilet.

E. Alternative Transport Methods

The Department is looking at a variety of ways to reduce the impact on persons in custody of long road-based journeys. This includes the establishment of coach and air services. The focus in 2009/10 will be to address long distance travel in the Kimberley and Eastern Goldfields regions.

In July 2009, the Department signed contracts with Greyhound Australia and Adams Coachlines for the provision of coaches to undertake inter-prison movements between Perth and regional areas.

The Department is about to award a Contract for the provision of a trial air charter service in the Kimberley region to move persons in custody to and from Broome Regional Prison. The distances travelled in the Kimberley region makes air travel the most time and cost effective method, while taking into consideration the safe and humane transportation of persons in custody and the occupational safety and health of staff.

As well as coach and air services, the Department is looking at further strategies to reduce the need for persons in custody to travel long distances. Additional transport reduction strategies include work between the Department of the Attorney General and Department of Corrective Services to increase usage of Video Link in courts, Telemedicine, and increased medical services provided within prisons.

F. Review of Monitoring of Contractor Performance and Contract Compliance

The Department has identified the need to incorporate responsibility for the monitoring of courts managed under the Contract for the Provision of Court Security and Custodial Services, within the auspices of the Contract Management Team. This has now been agreed to by the Department of the Attorney General, and is being further developed.

In 2008, the Department reviewed the methods by which the services of the Contractor were monitored. The outcome of this review was to implement a similar monitoring system to that used for the Acacia Prison Services Agreement.

This system was seen to allow issues identified by the Monitoring Team to be presented to the Contract Manager within 24 hours. A suitable data system for recording and monitoring the trends set by these issues, was also required. Once implemented, the systems would provide the Contract Management Team, and the Contractor, with an overall view of compliance with the Contract, and a capacity to identify the areas of higher risk.

i. Continue driving compliance and improvement through the use of Performance Improvement Requests

While Schedule 1 previously provided for the issuing of Performance Improvement Requests, amendments that commenced in April 2009 increased the importance of these forms of notification in the securing of improved responsiveness of the Contractor.

- ii. ***Link Compliance and Performance Reviews undertaken by the Monitoring Team to Performance Improvement Requests, establish, monitor and ensure the implementation of action and improvement plans***

Wherever the Monitoring Team, reviews services delivered under the Contract for the Provision of Court Security and Custodial Services and identifies matters of concern, the Contract Manager issues a Performance Improvement Request. The Contractor is required to respond to matters identified and address them within a timeframe. Where the Contractor does not address a matter, the Contract Manager may reduce the amount of the Performance Linked Fee paid to the Contractor.

G. Review of Information and Data Systems

The Department is identifying technological solutions to improve information management. It is anticipated new systems will be put in place during 2009/10, to ensure that the measurement of supply and demand can be more accurately measured or estimated for future reporting periods.

H. Identifying and Distributing Costs

At present, the Department pays all costs for services related to the Contract for the Provision of Court Security and Custodial Services, and then recoups monies from the client agencies. The Department is working with the Contractor to improve the provision of financial information, thus improving overall management of the budget by:

- Identifying key cost drivers; and,
- Identifying which agencies are responsible for what costs.

In establishing the budget for the 2009/10 service year, the Department, in conjunction with G4S, has established processes whereby the cost and hours of service delivery is reported separately for court security, court custody, custody movement, and police services.

This, in addition to the demand model discussed earlier, should enable the Contract Manager and the Contractor to identify matters that are causing demand or costs to vary from budget expectations, and to inform the client agencies of these matters as early as possible.

I. Overheads

The Contractor's administrative costs (Overheads) currently represent 25% of the overall cost of the Contract for the Provision of Court Security and Custodial Services. The aim is to reduce this expense to 15% of the Contract value, and to achieve this reduction by 2011.

Objectives of this process include the following:

- i. Identify those items currently counted as overheads (that are actually representative of service delivery costs) and transfer these costs to service delivery.
- ii. Review the administration structure of the Contractor to ensure it delivers administration services in a manner conducive to best practice.