



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

ANNUAL REPORT 2013/14

CBD Courts Project Contract

This Report covers the operation of the CBD Courts Project Contract as it pertains to Court Security and Custodial Services.

30 September 2014



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

CBD Courts Project Contract

Annual Report 2013/14

Hon Joseph Francis MLA
Minister for Corrective Services

In accordance with section 45 of the *Court Security and Custodial Services Act 1999* (the Act), I hereby submit for your information and presentation to Parliament the 2013/14 Annual Report of the CBD Courts Project Contract. This report pertains to the provision of court security and custodial services under the CBD Courts Project Contract Public Private Partnership with Western Liberty Group Pty Ltd (Western Liberty Group).

Under section 45 of the Act, the Chief Executive Officer of the agency principally assisting the Minister for Corrective Services, is required to submit to you by 30 September each year a report on each contractor who provided services under a contract in the preceding 12 months.

This report presents an overview of services provided under the CBD Courts Project Contract by Western Liberty Group through their contractor G4S Custodial Services Pty Ltd (G4S). While G4S perform the services, the State's contract is with Western Liberty Group. This is reflected in the Annual Report through reference to Western Liberty Group in the main, with such references to be read as including G4S.

Compliance and statistical information in the report is presented for the period 1 July 2013 to 30 June 2014

James McMahon
COMMISSIONER
DEPARTMENT OF CORRECTIVE SERVICES

September 2014

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1. FROM THE COMMISSIONER

The court security and custodial services provided under the CBD Courts Project Contract (the Contract) include services provided at both the District Court Building and the Central Law Courts. These two sites represent the bulk of court security and court custodial workload in the Perth metropolitan area. These services are part of a broader range of services provided by Western Liberty Group to the Department of the Attorney General as part of the CBD Courts Project Contract Public Private Partnership.

While administered and overseen by the Department of the Attorney General, the Contract falls within the *Court Security and Custodial Services Act 1999*. As the principal under that Act, I provide this report.

The CBD Courts Project Contract represents a unique model for the procurement and provision of court security and custodial services for the State of Western Australia through the amalgamation of service provision with the design, construction, maintenance and operation of the facilities in which the services are provided. To date, the project has resulted in the provision of high quality court custody and security services in the District Court Building and Central Law Courts Building to the Department of the Attorney General.

The provision of services under the Public Private Partnership has now been in operation for over six years. I am advised by the Department of the Attorney General that there has been a trend of continuous improvement with the level of service provided in the 2013/14 reporting period. This is a pleasing result and has been achieved through a positive working relationship and the continued application of detailed performance linked indicators that provide comprehensive coverage of the standard of services to be provided by the contractor.

I look forward to continued success and performance under the Contract into the future.

James McMahon
COMMISSIONER
DEPARTMENT OF CORRECTIVE SERVICES

2. EXECUTIVE SUMMARY

The provision of services under the CBD Courts Project Contract commenced on 3 June 2008. The 2013/14 year was the sixth year of full operation under the Services Agreement with Western Liberty Group for the provision of court security and custodial services at the District Court Building and the Central Law Courts. This year saw continued improvements in service delivery compared with the previous reporting periods.

The Principal of the Services Agreement under the contract is the Commissioner of the Department of Corrective Services. .

In managing the Services Agreement, the Department of the Attorney General actively monitored, managed and reported on Western Liberty Group's performance during 2013/14. The Higher Courts Contract Management Branch of the Department of the Attorney General met and communicated with Western Liberty Group on a regular basis to deal with contractual and operational issues. Executive and strategic oversight was provided by the CBD Courts Project Management Board in accordance with the established governance arrangements for the contract.

In the sixth year of service provision Western Liberty Group has performed well and provided security and custodial services to the State that met the requirements of the business. The performance is in part attributable to the good working relationship established between the State and Western Liberty Group which is growing stronger with the passage of time. A similar relationship has developed between Western Liberty Group's sub-contractor, G4S, and the State and the contract is at a stage where there is mutual respect and trust between the parties.

It is pleasing to note that Western Liberty Group continued to provide a high level of court security and custodial services in the District Court Building and Central Law Courts and this view was supported by its stakeholders. There was no notable security or custodial incidents during the year that were of serious concern to the Department of the Attorney General and the Department of Corrective Services.

3. BACKGROUND

In June 2005, the State entered into a 27 year Public Private Partnership with Western Liberty Group for the provision of facilities and services associated with the operation of courts in the Perth Central Business District (CBD). This initiative is referred to as the CBD Courts Project. The contract with Western Liberty Group is comprised of two major and separate components, namely the Facilities Agreement and the Services Agreement.

The Facilities Agreement requires Western Liberty Group to design, construct and maintain the following:

- District Court Building and pedestrian tunnel under Hay Street to the Central Law Courts (Stage 1);
- Custodial areas of the Central Law Courts (Stage 2); and
- Security systems in the Central Law Courts (Stage 3).

Construction of the District Court Building and the Central Law Courts custodial area was completed during 2008. Construction of the Central Law Courts security systems was completed in April 2010.

The Services Agreement requires Western Liberty Group to provide the following services:

- Custody services within the District Court and Central Law Courts;
- User management and court security services within the District Court and Central Law Courts;
- Court recording and transcription services and court booking services within the District Court Building only;
- Hard and soft facility management services for the District Court Building and Central Law Courts custodial area and security systems; and
- Court room booking services.

Services provision under the Services Agreement began on 3 June 2008 following completion of the District Court Building. Performance of the court security and custodial services is subject to the requirements of the *Court Security and Custodial Services Act 1999* (the Act) and is subcontracted to G4S Custodial Services Pty Ltd (G4S). While G4S perform the services, the State's contract is with Western Liberty Group Pty Ltd. This is reflected in this report through reference to Western Liberty Group in the main, with such references to be read as including G4S.

This report is submitted in accordance with Section 45 of the Act for the period 1 July 2013 to 30 June 2014.

4. ACHIEVEMENTS AND ACTIVITIES

A. Contract Governance

The governance arrangements for the Services Agreement consist of a committee structure as contemplated by the Services Agreement, management delegations from the Principal of the Services Agreement and documented roles and responsibilities for individual executive and management positions within the Department of the Attorney General.

The committee structure is outlined below.

Title	Chairperson	Focus
Management Board	Director General (DotAG)	Contract strategic direction, governance and performance (meets biannually)
Management User Group	Chief Judge (District Court)	Operational service delivery requirements and standards (meets monthly)
Working Committee	CBD Courts Project Contract Administrator (DotAG)	Contract management and service provision (meets quarterly)

The Principal of the Services Agreement is the Commissioner of the Department of Corrective Services.

B. Contract Management

Contract management associated with the Services Agreement is undertaken by the Court and Tribunal Services division of the Department of the Attorney General. The Contract Management Branch actively monitors, manages and reports Western Liberty Group's performance at the contractual level while also endeavouring to foster a long term cooperative relationship to ensure the partnership is a success for both the State and Western Liberty Group. Members of the Branch team meet and/or communicate with Western Liberty Group on a daily basis to deal with contractual and operational issues as they arise and develop strategies for service improvement.

The Contract Management Branch has developed a comprehensive contract management plan. The core processes addressed by the contract management plan and associated working documents relate to:

- performance reporting and monitoring;
- relationship management, dispute resolution and issue management;
- governance, probity and compliance;
- knowledge and information management;
- change management;
- contingency planning; and
- ongoing review.

In undertaking specific monitoring of the services provided under the Act, the contract management team uses information from a range of sources. These include:

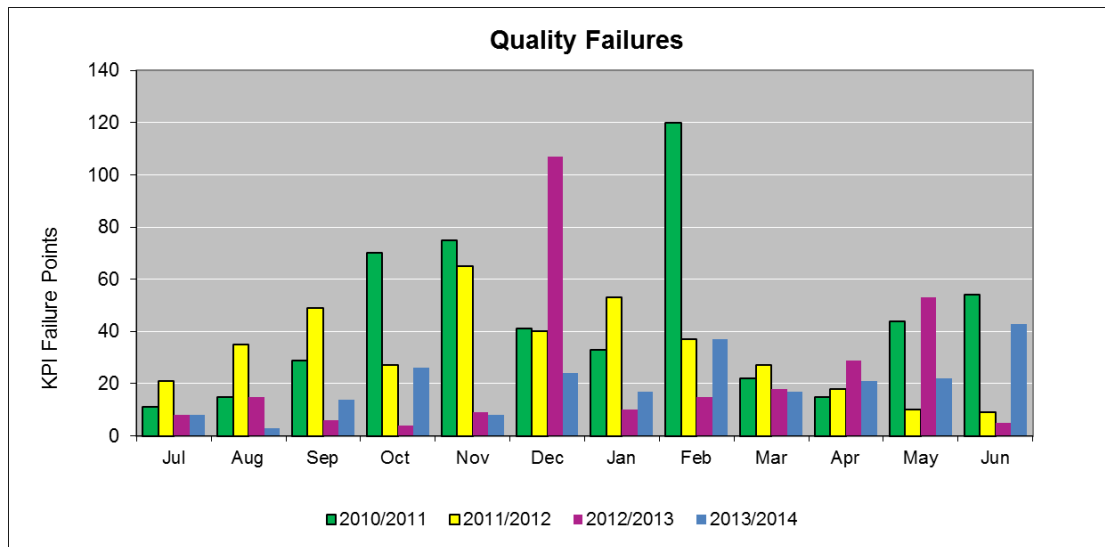
- reviewing data on custody hours, movements and incidents from the Custodial Services Support System;
- self reported information on incidents and operations from Western Liberty Group and G4S;
- reporting from various stakeholders on service provision; and
- direct observations made by contract management and Courts Risk Assessment Directorate staff.

This information forms the basis for regular discussions on service delivery issues with Western Liberty Group. This information is also used by the contract management team in the assessment and application of contractual abatements.

C. Contractor Performance

In the sixth year of service provision Western Liberty Group has performed well and provided court security and custodial services to the State that met the requirements of the business. The performance in part is attributable to the good working relationship that has been established between the State and Western Liberty Group, which is growing stronger with the passage of time. A similar relationship has developed between Western Liberty Group's sub-contractor, G4S, and the State and the contract is at a stage where there is mutual respect and trust between the parties.

Performance against the Key Performance Indicators (KPI) improved on an overall basis from the previous year. This is demonstrated by the reduction in the total number of contractual KPI failure points incurred by Western Liberty Group in delivering all of its services under the contract (which include court security and custodial services). A comparison of performance in the 2010/11, 2011/12 and 2012/2013 reporting periods against 2013/14 is provided in the following graph.



It should be noted that the application of abatements in itself should not be solely relied upon to measure Western Liberty Group's overall performance and that it is an indication of areas where improvement is required in service delivery. In that respect, there were some performance issues with non-compliance with policies and procedures and reporting, the inability of Western Liberty Group to provide gallery guards and court orderlies on 57 occasions and a slight decline over last year's performance in delivering persons in custody to court on time. The Department has continued its focus on Western Liberty Group facilitating appropriate training for security and custodial officers not complying with policy and procedures. To that end, it engaged a consultant to undertake an audit of Western Liberty Group's training programme. The audit report will provide a useful tool to both Western Liberty Group and the Department by identifying strengths and weaknesses in the training programme. The audit was commenced at the end of the reporting year and will be completed in the next financial year.

It is pleasing to note that by in large Western Liberty Group continued to provide a high level of court security and custodial services in the District Court Building and Central Law Courts and this view was supported by its stakeholders. There was no notable security or custodial incidents during the year that were of serious concern to the Department of the Attorney General and the Department of Corrective Services.

D. Reviews

(i) Office of the Inspector of Custodial Services (OICS) Custody Centre Review

The Office of the Inspector of Custodial Services (OICS) issued Report 87 - Courts Custody Centres Inspection was released in January 2014. The report was based on an inspection conducted in February 2013 into the court security and custodial activities in the District Court Building and Central law Courts.

The report was positive about court security and custodial services provided in the District Court Building and Central Law Courts Building and complimentary about the way that persons in custody were treated. No significant issues were reported and

the Office of the Inspector of Custodial Services made five recommendations to help improve the quality of service provided. To date Western Liberty Group and the Department of the Attorney General has implemented all of the recommendations except one relating to one on one escort which is no longer applicable. .

E. Contract Variations

There were no variations during the reporting period.

F. Contractual Disputes and Payment Issues

The Contract Management Team and Western Liberty Group worked cooperatively to resolve all payment issues without referring them to arbitration. There were no major contractual disputes regarding payment for court security and custodial services in 2013/14.

5. CONTRACT COMPLIANCE

A. Key Performance Indicators and Abatements

The contractor is required to meet certain KPIs in the provision of services and is required to monitor and report its performance on a daily and monthly basis. The contract management team also conducts targeted monitoring to verify the contractors self reporting in this regard.

Not meeting KPI standards can result in payment abatements being imposed against Western Liberty Group with the value of the abatements determined through the application of specified formulae contained in the Services Agreement. In determining the extent to which abatements would be enforced, consideration was given to the impact on court operations, the level of operational risk involved and the need to provide a commercial incentive for Western Liberty Group to improve performance. This meant that abatements were not applied to a considerable number of non-critical service failures in recognition of the need to balance punitive actions with relationship building.

The following table provides a summary of KPI failures and associated abatements applied in 2013/14.

Service Failures against Court Security and Custodial Service KPI

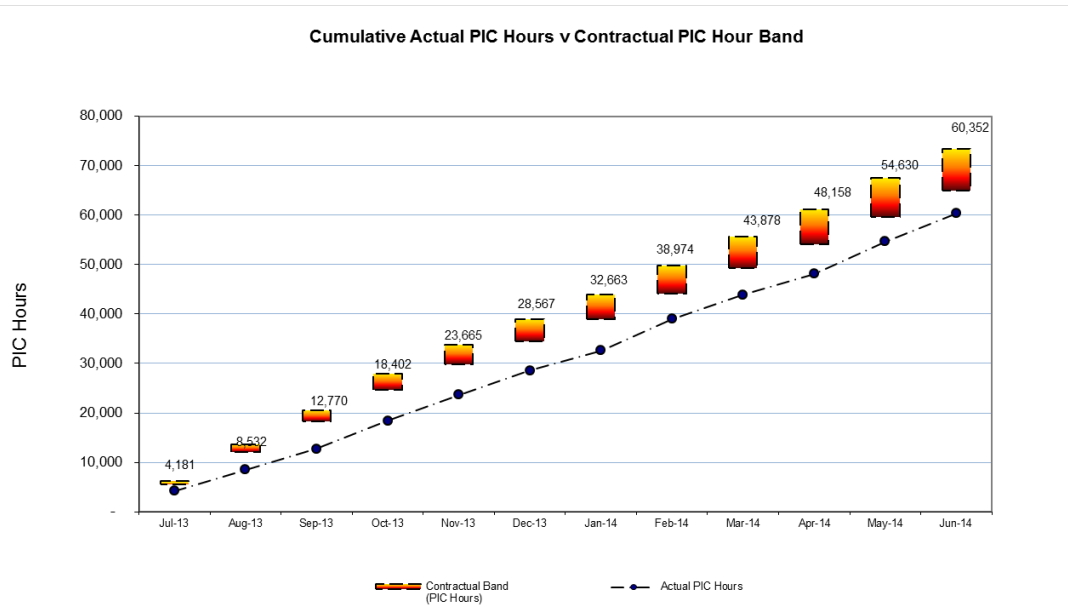
	Key Performance Indicator	Failure Incidents (Points)	Abatement \$
Court Security Services	34 Responding to duress alarms	20	16,161
	35 Attending to safety and security incidents	0	0
	36 No unauthorised access	0	0
	37 No unauthorised articles	15	11,543
	38 Report safety and security incidents	0	0
	40 Comply with User Management and Court Security Operating Plan and the Service Specifications	65	52,929
	65 Comply with Policy and Procedures Manual and Operating Manuals	0	0
Custodial Services	41 Death in custody	0	0
	42 Serious injury to Person in Custody	0	0
	43 Completed escapes from custody	0	0
	44 Unlawful release from custody	0	0
	45 Assault upon a court user by a Person in Custody	0	0
	46 Persons in Custody are delivered to court on schedule	20	15,904
	47 Report custodial incidents	0	0
	48 Comply with Custodial Services Operating Plan and Service Specifications	71	56,294
	61 Provision of Daily Performance Report and notification of loss /interruption of essential services	24	18,391
	65 Comply with Policy and Procedures Manual and Operating Manuals	22	16,760
Total		237	\$187,982

Note: In the above table the abatement dollars are calculated based on the total quality failure points applied. However, in accordance with the contract when determining the final abatements charged for each month, 10 quality failure points are subtracted (i.e. deemed to be “free points” under the contract). Therefore, the total points abated do not correspond with the amounts abated as detailed above.

B. Service Provision

Service demand and payment for the custodial services component of the contract is based on a fixed annual price for an anticipated band of court custody hours, with allowance for adjustment on an hourly rate basis should the actual custody hours fall outside of the set band. The band was established based on court custody data analysis and modelling performed in 2004 as part of the planning for the CBD Courts Project.

The actual custody hours of 60,352 were below the lower band limit of 64,805 for the reporting period. This was primarily the result of improvement in the processing of persons in custody (PIC) through the courts and the increased use of video link for court appearances as reflected by the average court custody duration of 5.00 hours per person, compared with the 2004 model average of 5.4 hours per person. The prior reporting period averaged 4.98 hours per PIC.



Payment for the court security component of the contract is based on a fixed annual price for base building security and user management services plus a volume based adjustment for variable demand services such as gallery guards and court orderlies. Approximately 85% of the court security and custodial services received under the contract are subject to a fixed annual payment irrespective of the resources engaged by Western Liberty Group to provide the services. Apart from the variable volume based costs for gallery guards and court orderlies the Department does not actively monitor or verify the resource hours utilised by Western Liberty Group. However, Western Liberty Group does provide this data on a monthly basis and it is presented below for general information purposes in the broader context of court security and custodial services provided to the State. In the absence of verification and demonstrated operational efficiencies, the resource data provided can not be relied upon as an indicator of service demand.

Service Delivery Resource Hours Reported by Western Liberty Group

Activity	Resource Hours*
User Management and Court Security Services	96,514.98
Custodial Services	95,790.16
Total	192,305.14

* Figures not verified and not to be taken as an indicator of service demand or cost. Figures are for the period 1 July 2013 to 30 June 2014.

C. Cost of Service

Total Contract Cost (1 July 2013 – 30 June 2014)	
User Management, Court Security and Custodial Services	\$9,607,131
Less Abatements	-\$187,982
Subtotal (exclusive of GST)	\$9,419,149
GST	\$941,915
Total (inclusive of GST)	\$10,361,064

The gross service cost of \$9,607,131 was largely in line with the Department of the Attorney General's budget allocation for this service. This was to be expected given the predominately fixed nature of the service payments.

6. MAJOR CHALLENGES FOR 2014/15

No major challenges are anticipated for the ensuing financial year.