



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

ANNUAL REPORT 2014/15

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 2015



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

CBD Courts Project Contract

Annual Report 2014/15

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 2014/15 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 2014 to 30 June 2015

James McMahon
COMMISSIONER
DEPARTMENT OF CORRECTIVE SERVICES

September 2015

Department of Corrective Services
141 St George's Terrace
PERTH WA 6000

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

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1. FOREWORD AND COMMISSIONER'S MESSAGE

The court security and custodial services provided under the CBD Courts Project 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.

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.

The provision of services under the Public Private Partnership has now been in operation for over seven years. I am pleased to report a trend of continuous improvement with the level of service provided in the 2014/15 reporting period. This 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.

The maintenance of the high level of service delivery and the ongoing relationship building between the State and Western Liberty Group stands the partnership in good stead for continued success into the future.

James McMahan
COMMISSIONER
DEPARTMENT OF CORRECTIVE SERVICES

2. EXECUTIVE SUMMARY

The provision of services under the CBD Courts Project Contract commenced on 3 June 2008. The 2014/15 year was the seventh 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 pursuant to section 20(1) of the *Court Security and Custodial Services Act 1999* (the Act).

In managing the Services Agreement, the Department of the Attorney General actively monitored, managed and reported on Western Liberty Group's performance during 2014/15. 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 seventh year of service provision Western Liberty Group has performed very 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 continues to strengthen from year to year. 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 generally in the District Court Building and Central Law Courts and this view was supported by its stakeholders. However, there were three serious incidents during the year that were of 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; and
- Hard and soft facility management services for the District Court Building and Central Law Courts custodial area and security systems.

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 2014 to 30 June 2015.

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. The Commissioner has delegated contract management responsibilities to the Executive Director, Court and Tribunal Services of the Department of the Attorney General, pursuant to section 20(1) of the Act.

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. This is 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 *Court Security and Custodial Services Act 1999*, 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.

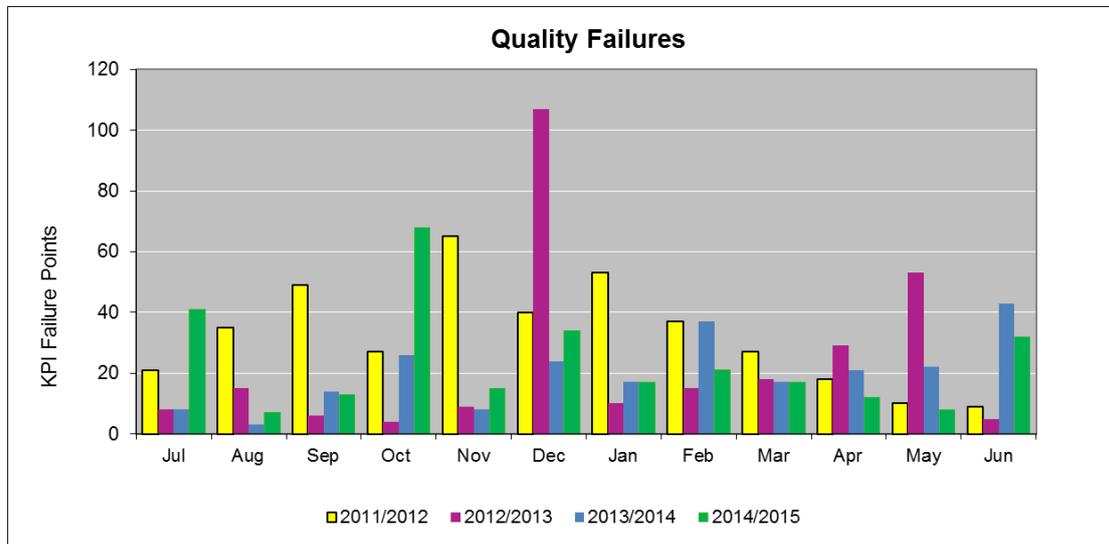
This information forms the basis for regular discussions on service delivery issues with Western Liberty Group. This information is also used by the contract management team in the assessment and application of contractual abatements.

C. Contractor Performance

In the seventh year of service provision Western Liberty Group has performed extremely 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 continues to grow stronger from year to year. A similar relationship has developed between Western Liberty Group's sub-contractor, G4S, and the State with continued mutual respect, cooperation and trust between the parties.

Performance against the Key Performance Indicators (KPI) declined slightly on an overall basis from the previous year. This is demonstrated by an increase 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) over last year. A comparison of performance in the 2011/12, 2012/2013 and 2013/14 reporting periods against 2014/15 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/service delivery issues with failing to follow policies and procedures, the inability of Western Liberty Group to provide gallery guards and court orderlies on 55 occasions and a slight increase over last year's performance in responding to duress alarms within the required timeframe.

During the reporting year the Department received an audit report of Western Liberty Group's training programme from the consultant engaged at the end of the last fiscal year. The findings of the report were – by in large - positive and the consultant found that the training program employed by Western Liberty Group's sub-contractor, G4S, complied with the requirements of the terms of the contract. The report also made some recommendations for improvement and a request was made to Western Liberty Group for their implementation. Western Liberty Group has agreed to implement all the recommendations and the Department is monitoring their progress.

On the whole Western Liberty Group continued to provide a high level of court security and custodial services in the District Court Building and Central Law Courts during the reporting year. However, this was marred by a three serious incidents that occurred during the year. One involved an accused being ordered into custody as his bail surety did not extend. The person left the court building and was later apprehended by police following issue of a warrant by the magistrate. The second incident involved an unauthorised vehicle being allowed into the District Court Building secured car park. The last involved a hunting knife passing through the primary security checkpoint in the Central Law Courts.

A new contract manager was appointed by Western Liberty Group's sub-contractor, G4S, in December 2014 together with a regional manager for the State. It is hopeful that these appointments result in a greater focus on strategic management and leadership within G4S and improved delivery of services to the State. Early indications are that this appears to be the case.

D. Reviews

(i)

No reviews were undertaken during the year.

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 2014/15.

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.

Failure to meet 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 2014/15.

Service Failures against Court Security and Custodial Service KPI

| | Key Performance Indicator | Failure Incidents (Points) | Abatement \$ |
|-------------------------|---|----------------------------|------------------|
| Court Security Services | 34 Responding to duress alarms | 50 | 40,578 |
| | 35 Attending to safety and security incidents | 0 | 0 |
| | 36 No unauthorised access | 15 | 11,521 |
| | 37 No unauthorised articles | 40 | 31,562 |
| | 38 Report safety and security incidents | | |
| | 40 Comply with User Management and Court Security Operating Plan and the Service Specifications | 64 | 52,383 |
| | 65 Comply with Policy and Procedures Manual and Operating Manuals | 8 | 6,785 |
| Custodial Services | 41 Death in custody | | |
| | 42 Serious injury to Person in Custody | | |
| | 43 Completed escapes from custody | 40 | 35,015 |
| | 44 Unlawful release from custody | | |
| | 45 Assault upon a court user by a Person in Custody | | |
| | 46 Persons in Custody are delivered to court on schedule | 8 | 6,843 |
| | 47 Report custodial incidents | 10 | 8,137 |
| | 48 Comply with Custodial Services Operating Plan and Service Specifications | 25 | 20,583 |
| | 61 Provision of Daily Performance Report and notification of loss /interruption of essential services | 16 | 12,854 |
| | 65 Comply with Policy and Procedures Manual and Operating Manuals | 4 | 3,250 |
| Total | | 280 | \$229,511 |

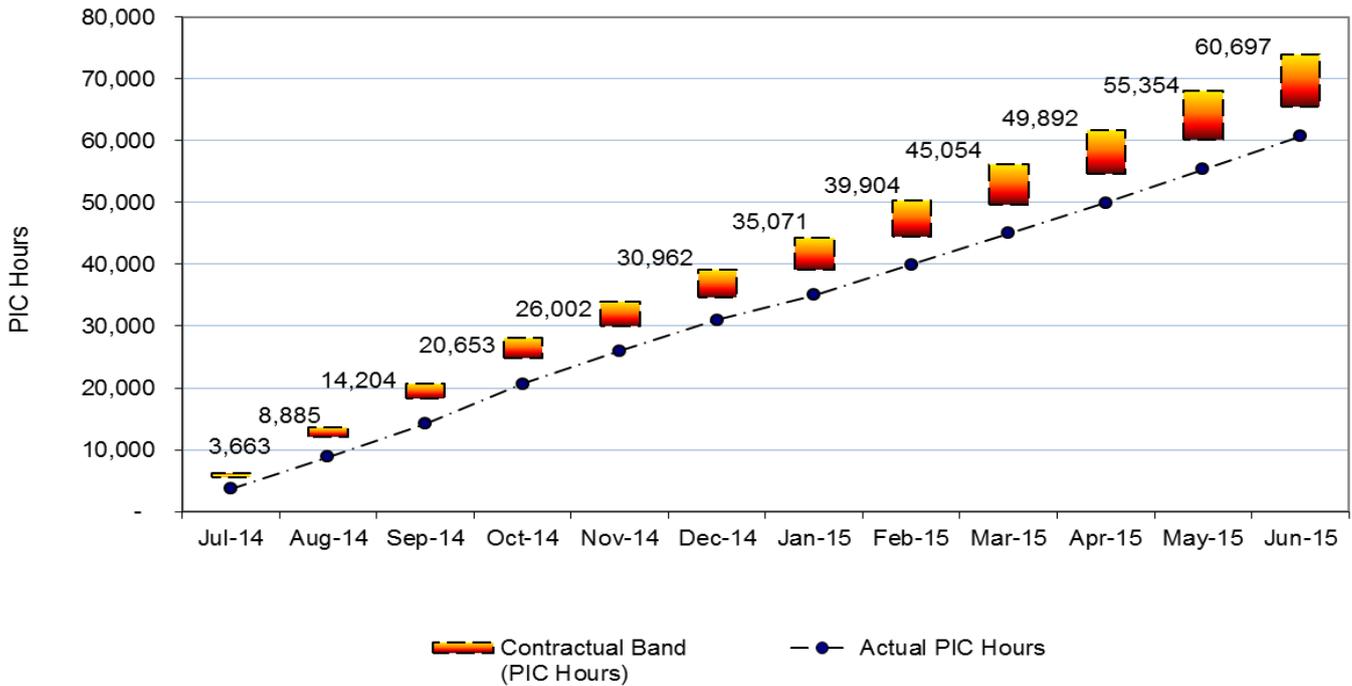
Note: In the above table the abatement dollars are calculated based on the total quality failure points applied. However, in accordance with the contract when determining the final abatements charged for each month, 10 quality failure points are subtracted (i.e. deemed to be “free points” under the contract). 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 60,697 were below the lower band limit of 65,453 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 5.18 hours per person, compared with the 2004 model average of 5.4 hours per person. The prior reporting period averaged 5.00 hours per PIC.

Cumulative Actual PIC Hours v Contractual PIC Hour Band



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 cannot 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 2014 to 30 June 2015.

C. Cost of Service

| Total Contract Cost (1 July 2014 – 30 June 2015) | |
|---|---------------------|
| User Management, Court Security and Custodial Services | \$10,129,776 |
| Less Abatements | -\$229,511 |
| Subtotal (exclusive of GST) | \$9,900,265 |
| GST | \$990,027 |
| Total (inclusive of GST) | \$10,890,292 |

6. MAJOR CHALLENGES FOR 2014/15

No major challenges are anticipated for the ensuing financial year.