



GOVERNMENT OF
WESTERN AUSTRALIA

Department of Justice

Annual Report 2016/17

CBD Court Project Contract

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

30 September 2017



Department of Justice

CBD Courts Project Contract

Annual Report 2016/17

Hon Fran Logan 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 2016/17 Annual Report of the CBD Courts Project Contract. This report relates 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 2016 to 30 June 2017

Dr Adam Tomison
DIRECTOR GENERAL
DEPARTMENT OF JUSTICE

28 September 2017

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1. FOREWORD AND DIRECTOR GENERAL'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 Justice 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 eight years. I am pleased to report Western Liberty Group continued to provide a high level of security and custodial services in the District Court and the Magistrates Court of Western Australia at Perth during the 2016/17 reporting period. This has been achieved through a positive and strong working relationship, and the continued monitoring of detailed performance linked indicators that provide comprehensive coverage of the standard of services to be provided by the contractor.

The maintenance of the 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.



Dr Adam Tomison
Director General
DEPARTMENT OF JUSTICE

2. EXECUTIVE SUMMARY

The provision of services under the CBD Courts Project Contract commenced on 3 June 2008. The 2016/17 year was the ninth 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.

The Principal of the Services Agreement under the contract was the Commissioner of the Department of Corrective Services pursuant to section 20(1) of the *Court Security and Custodial Services Act 1999* (the Act). However, under the Machinery of Government changes the Principal is now the Director General, Department of Justice (DoJ).

In managing the Services Agreement, the Department actively monitored, managed and reported on Western Liberty Group's performance during 2016/17. The Department 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 ninth year of service provision Western Liberty Group has performed very well again and provided a high level of court security and custodial services generally in the District Court Building and Central Law Courts. This view was shared by a number of stakeholders. However, there was one serious incident during the year involving a person in custody attempting to self-harm without being noticed when they should have been watched regularly according to the required standards.

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 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 2016 to 30 June 2017.

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.

The committee structure is outlined below.

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

The Principal of the Services Agreement is the Director General of the Department of Justice. Contract management responsibilities have been delegated to the Executive Director, Court and Tribunal Services of the Department of Justice, pursuant to section 20(1) of the Act.

B. Contract Management

Contract management associated with the Services Agreement was undertaken by the Court and Tribunal Services division of the Department. The Contract Management Team in that division 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 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 Department has developed a comprehensive contract management plan to assist with the management of the contract. 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:

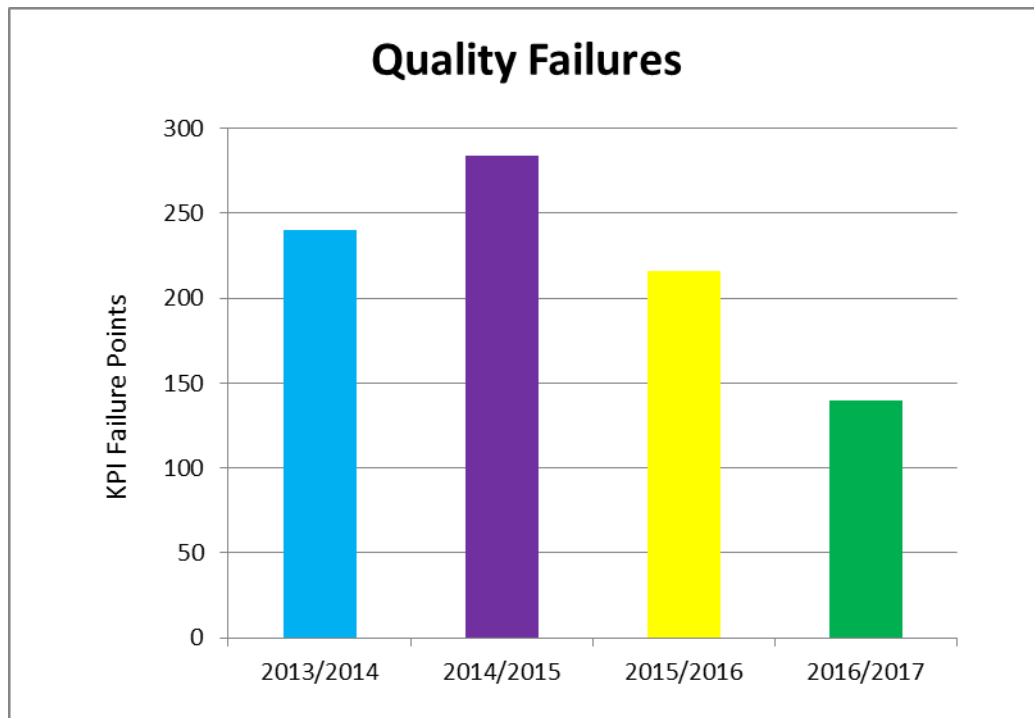
- reviewing data on custody hours, movements and incidents from the Custodial Services Support System;
- self-reported information on incidents and operations from Western Liberty Group and G4S;
- reporting from various stakeholders on service provision; and
- direct observations made by the contract management team 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 ninth year of service provision Western Liberty Group continues to perform 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 positive working relationship between the State and Western Liberty Group. There is a very good working relationship between Western Liberty Group's sub-contractor, G4S, and the State. There is also continued growth in knowledge and understanding of the State's business (i.e. court operations) which helps the contractor's operations.

Performance against the Key Performance Indicators (KPI) improved markedly on an overall basis from the previous year. This is demonstrated by a significant decrease 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 the last year. A comparison of performance in the 2013/2014, 2014/15 and 2015/16 reporting periods against 2016/17 is provided in the following graph.



It should be noted 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 on a number of occasions; the inability to provide gallery guards/court orderlies/roving guards on only three occasions (an improvement over last year); a late delivery to court; and two instances of allowing an unauthorised person into a secured area. There was a substantial improvement in relation to responding to duress alarms within the required timeframe with no associated KPI failures.

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.

D. Reviews

The Office of the Inspector of Custodial Services (OICS) conducted an inspection of the Central Law Courts Building and District Court Building custody centres in June 2017. No major issues have been reported to date.

E. Contract Variations

In accordance with the Services Agreement, the contract's benchmarks are subject to regular reviews, with the first benchmark period being seven years after the facilities commencement date (i.e. 20 June 2005). The State entered into its second benchmarking period during the reporting year, initiated by Western Liberty Group on 20 June 2016 with a Benchmarked Services submission.

The benchmarking process was managed by Department through the Project Steering Committee (PSC) established for this purpose.

The PSC was chaired by the Acting Director General, and comprised senior representatives from the former Departments of the Attorney General and

Corrective Services; Department of Treasury and the State Solicitor's Office. The PSC was responsible for decision making and approving recommendations made by the Project Control Group.

The prices negotiated for Benchmarked Services are considered to be fair and reasonable and reflect the current market. The benchmarking process resulted in an overall increase of \$416 K in 2016 dollar terms.

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 2016/17.

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. There is also a reliance on various stakeholders to report service failures to the contract management team.

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 abatements were not applied to a considerable number of non-critical service failures in recognition of the need to balance punitive actions with relationship management and building given the longevity of the contract.

The following table provides a summary of KPI failures and associated abatements applied in 2016/17.

Service Failures against Court Security and Custodial Service KPI

	Key Performance Indicator	Failure Incidents (Points)	Abatement \$
Court Security Services	34 Responding to duress alarms	0	0
	35 Attending to safety and security incidents	0	0
	36 No unauthorised access	30	24,302
	37 No unauthorised articles	0	0
	38 Report safety and security incidents	0	0
	40 Comply with User Management and Court Security Operating Plan and the Service Specifications	19	15521
	65 Comply with Policy and Procedures Manual and Operating Manuals	2	1770
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	2	1543
	47 Report custodial incidents	0	0
	48 Comply with Custodial Services Operating Plan and Service Specifications	28	22812
	61 Provision of Daily Performance Report and notification of loss /interruption of essential services	4	3371
	62	0	0
65 Comply with Policy and Procedures Manual and Operating Manuals	28	23,399	
Total		113	\$ 92,718

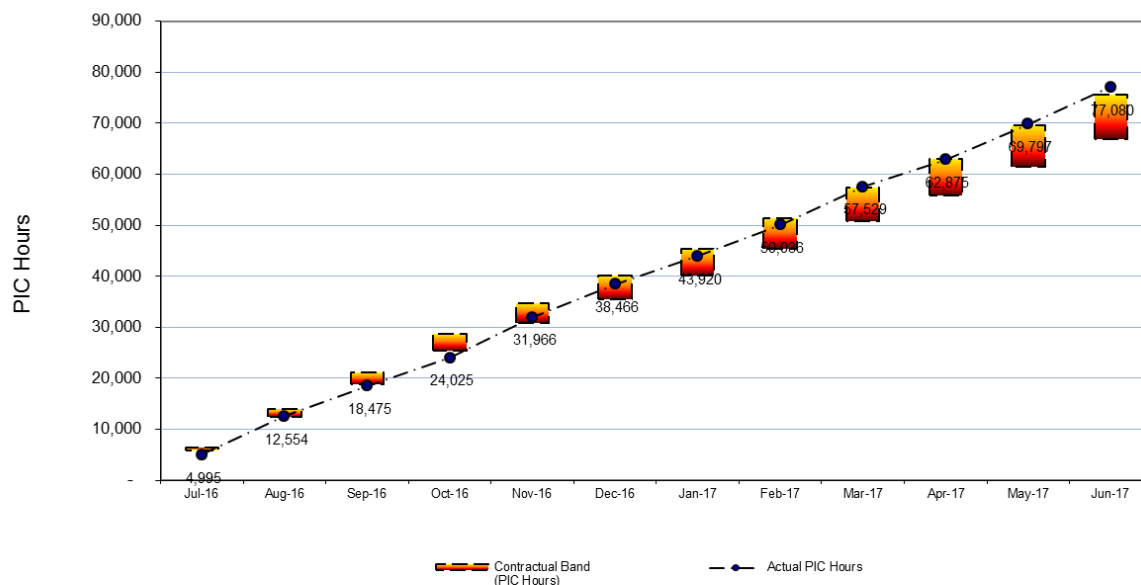
Note: In the above table the abatement dollars are calculated based on the total quality failure points applied. However, in accordance with the contract when determining the final abatements charged for each month, 10 quality failure points are subtracted (i.e. deemed to be "free points" under the contract). 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 77,080 exceeded the band limit of 66,768 and 75,525 for the reporting period. The average court custody duration was 4.85 hours per person, compared with 5.06 hours per person in the previous period and the 2004 model average of 5.4 hours per person.

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 95% 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	94,133
Custodial Services	90,785
Total	184,918

* Figures not verified and not to be taken as an indicator of service demand or cost. Figures are for the period 1 July 2016 to 30 June 2017.

C. Cost of Service

Total Contract Cost (1 July 2016 – 30 June 2017)	
User Management, Court Security and Custodial Services	\$10,560,890
Less Abatements	-\$92,718
Subtotal (exclusive of GST)	\$10,468,172
GST	\$1,046,817
Total (inclusive of GST)	\$11,514,989

6. MAJOR CHALLENGES FOR 2017/18

There are no major challenges expected.