



Annual Report 2016/17

Melaleuca Remand and Reintegration Facility Services Agreement



GOVERNMENT OF
WESTERN AUSTRALIA

Department of Corrective Services

Melaleuca Remand and Reintegration Facility Services Agreement

Annual Report 2016/2017

**HON FRAN LOGAN MLA
MINISTER FOR CORRECTIVE SERVICES**

In accordance with section 15G of the *Prisons Act 1981*, I hereby submit for your information and presentation to Parliament the 2016/17 Annual Report of the Melaleuca Remand and Reintegration Facility Services Agreement (the Agreement).

This report presents an overview of services provided under the Agreement by Sodexo Australia Pty Limited. Compliance information and statistical information in the report are presented for the first contract period, which commenced operation on 15 December 2016 until 30 June 2017.

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**DIRECTOR GENERAL
DEPARTMENT OF JUSTICE**

28 September 2017

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1 Contract Background & History

The *Melaleuca Remand and Reintegration Facility Services Agreement* (the Agreement) between the State of Western Australia (WA) and Sodexo Australia Pty Limited (Sodexo), was executed by the State on 28 July 2016. The Melaleuca Remand and Reintegration Facility (Melaleuca) commenced operations on 15 December 2016 (Commencement Date). Melaleuca is located at the Canning Vale Prison Complex located on Nicholson Road in Canning Vale, Western Australia. It is situated within the original secure perimeter of Hakea Prison but is gazetted as a separate prison site.

Initially, Melaleuca received only prisoners from Bandyup Women's Prison in what was a staged Initial Accommodation Plan. On 16 January 2017, the prison became the primary metropolitan remand prison for women, receiving from all WA Courts.

The Agreement was awarded as a five year contract for the provision of services with two extension options of up to five years each. The prison has a capacity of 254 general accommodation beds; however the Department currently seeks the availability of only 229 beds as notified in the Quarterly Accommodation Plan. This is in line with the funding approved by the State Government. It was envisaged that the remand to sentenced prisoner ratio would operate at 67% remand to 33% sentenced. The Prison Population (Section 4.4) demonstrates the cohort has maintained this split consistently in the first six months of operation.

2 Contract Management

The Department of Justice, formerly the Department of Corrective Services (the Department), oversees and monitors the Agreement through the Procurement and Contracted Services Directorate. A dedicated contract management team of two full time equivalents oversee all facets of contractual service delivery and compliance. In managing the contract the branch draws expertise from across the Department, ensuring appropriate service delivery oversight.

The Department operates a team of on-site monitoring and compliance officers, who conduct compliance audits and observations to ensure service delivery meets contractual requirements. Monitoring and compliance officers are responsible for conducting scheduled and ad-hoc compliance testing of the Service Requirements specified in the Agreement. Feedback from the monitoring and compliance officers assists the Contract Manager in assessing compliance, performance, and ensuring continuous improvement by Sodexo.

Contract Management has conducted weekly meetings with Sodexo since the Commencement Date. This has been useful in bringing to light any contract management or operational interface issues that have presented during the first six months of the operations.

A suite of performance measures are used to measure performance in key service delivery areas. These include financially linked Operational Performance Incentives and Performance Linked Payments as well as non-financially linked Performance Indicators. Performance Improvement Notices (PINs) and Abatements are used to

address service delivery areas which have been identified as being below the required standards.

3 Key Positions

The Agreement provides for the appointment of Sodexo staff to the Key Positions listed in Schedule 8 for the purpose of delivering prison operations under contract.

Sodexo's obligations with regard to these Key Positions include ensuring the individuals appointed possess the skill, authority and qualifications to perform the requirements of each Key Position and reside no more than 30 kilometres from Melaleuca. Sodexo must obtain the Department's approval to appoint an individual to a Key Position. In this way the Department is able to ensure that high quality staff lead service delivery at Melaleuca.

4 First Six Months of Operations

During the first six months of operations Sodexo experienced a number of shortcomings in service provision which resulted in the Department issuing eight PINs. Initially, Sodexo was not as responsive to resolving these issues as the Department would have expected, however improvement was achieved following ongoing stakeholder management and the issuing of the contractual sanctions as outlined below.

4.1 Performance Improvement Notices

PINs are used as an improvement tool when the Department has deemed that Sodexo has breached a requirement as outlined in the Agreement, or failed to deliver services sufficient to meet the requirements of a contractual requirement. As a result of identifying this deficiency, the Agreement provides that the State may direct Sodexo to improve its performance of the services. This takes the form of a PIN.

The Department issued a total of 8 PINs in the first six months of operations and these are outlined below:

1. Prisoner Gratuities (issued on 28 February 2017);
2. Health Services (issued on 29 March 2017);
3. Misconduct Reporting (issued on 20 April 2017);
4. Official Visits Procedural Issues (issued on 12 May 2017);
5. Issue of MDAS to Official Visitors (issued on 12 May 2017);
6. Unable to Contact Prison by Telephone (issued on 12 May 2017);
7. Official Visits Security Concerns (issued on 12 May 2017); and
8. Official Visits Delays (issued on 12 May 2017)

Five PINs arose from complaints primarily raised by Legal Aid WA and the Aboriginal Legal Service. Sodexo has implemented procedural changes required to address the issues raised and undertaken significant training carried out to support these changes.

4.2 Abatements

Sodexo was issued with three Abatements to the total value of \$75,000 in accordance with the provisions of the Agreement Schedule 1, Clause 3. These are outlined below:

1. Unlawful Release of a Prisoner (incident date 16 February 2017) - \$25,000;
2. Failure to Report (incident date 29 March 2017) - \$25,000; and
3. Failure to Remedy a PIN (issued date 20 April 2017) - \$25,000

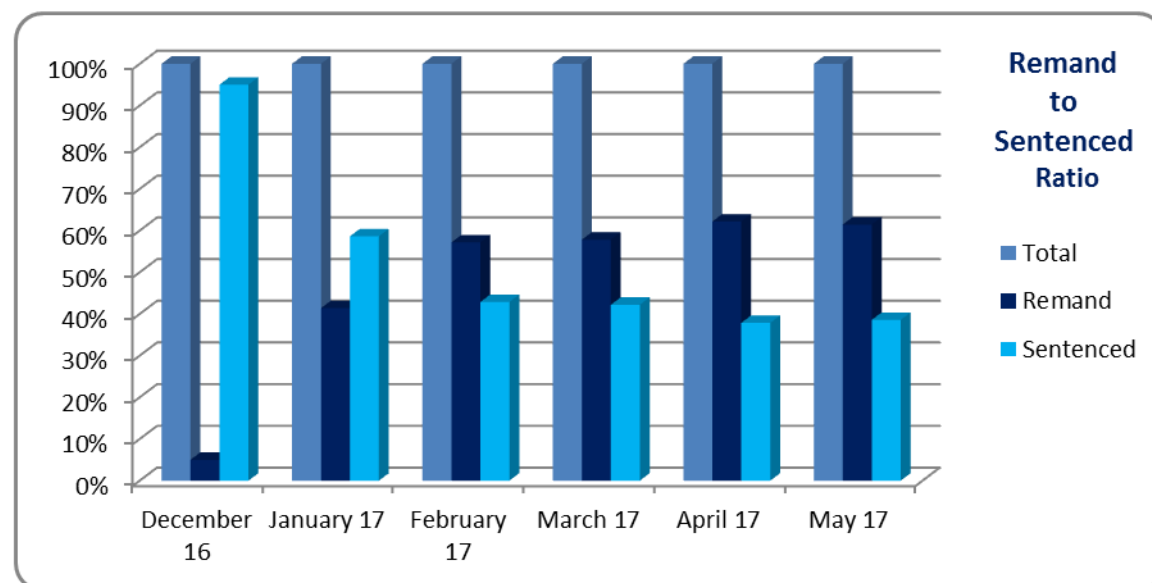
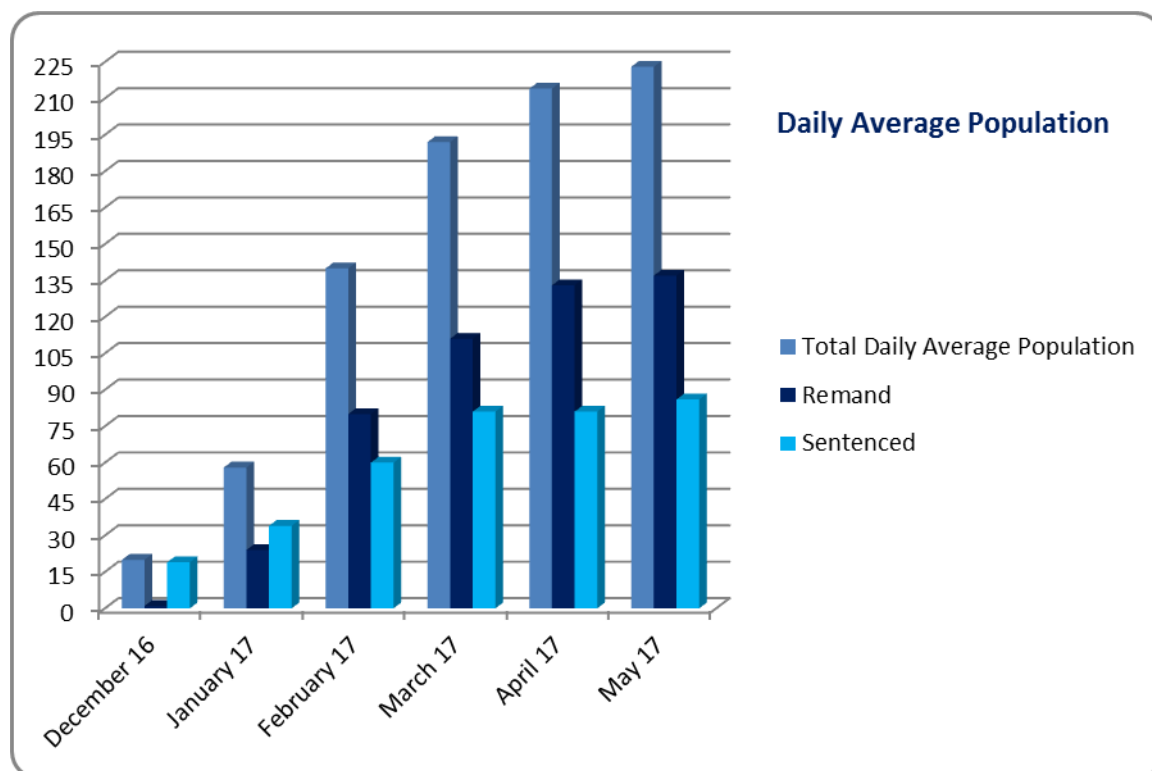
4.3 Programs and Activities

The table below summarises the reintegration focused programs delivered at Melaleuca during the 2016/17 operational year, including the number of prisoners who completed these programs as at 30 June 2017:

Program	Total
Grief Recovery	11
The Prisoner's Journey	5
Bible Studies	Ongoing
Alcohol Awareness	32
Arts and Crafts	29
Problem Solving	17
Creative Writing	9
Yellow Brick Road to Change	11
Alcohol and Other Drugs (AOD) Brief Intervention and Information Session	15
Alcohol and Other Drugs (AOD) Group Program	69 engaged
Alcohol and Other Drugs (AOD) Individual Counselling	16

4.4 Prison Population

The table below identifies the Daily Average Population (DAP) since the Commencement Date. In line with the Agreement's funding assumptions, the cohort remained consistently split as approximately 67% remand prisoners to 33% sentenced prisoners over the period.



4.5 Semi-Annual Performance Payments

The Agreement provides the payment of the six-monthly Semi-Annual Performance Payment (SAPP). The SAPP comprises four payments as defined in Schedule 2 of the Agreement and outlined below:

1. Operating Performance Incentive Payments (maximum payment accounts for 10% of the monthly payments, which are withheld until the end of the six month period);
2. Performance Linked Payments;

3. Hospital Sit payments; and
4. Remand Premium Payments

At the time of writing, Sodexo's performance had not yet been evaluated for the first six months of operations. A report on the outcomes of this assessment, along with the Performance Indicators, will be provided in the 2017/18 annual report.

4.6 Death in Custody

On 26 February 2017, a former prisoner of Melaleuca died at Fiona Stanley Hospital. The deceased had been sentenced to a period of imprisonment for failure to pay fines accrued.

Due to the fact that the deceased was incarcerated during her admission to hospital and prior to her death, the State Coroner is conducting a Coronial Inquest.

If the death is found to have arisen from other than natural causes as prescribed in Schedule 1, Clause 3(a) of the Agreement, Sodexo may be issued an Abatement in the amount of \$200,000.

4.7 Audits & Reviews

The Department conducted a Compliance Review at Melaleuca commencing on Monday 6 February, ending on 10 February 2017. The scope of the compliance review focused on the following operational areas:

- Perimeter Security
- Key Management
- Tools and Equipment
- Emergency Management
- Vehicle Security
- Disposable Safety Razors
- At Risk of Self Harm and Observations
- Visits – Social Religious and Official
- Food and Catering
- General Environment
- Privileged Mail
- Out of cell evening association

The compliance review revealed that significant improvement was required in the areas of 'At Risk of Self Harm and Observation' and 'Privileged Mail'. Sodexo were given the opportunity to respond to the findings and reported the action they took to resolve the issues raised and monitor their ongoing performance.

It was acknowledged at the time of the review that Melaleuca had only been open for approximately two months and operational practices/procedures were still being implemented. However, it was thought to be beneficial to both the facility and management of the contract to establish a base line compliance standard at an early stage. This report provided an opportunity for Sodexo to focus on addressing service delivery issues and procedural gaps.

- **Office of the Inspector of Custodial Services (OICS)**

The Inspector of Custodial Services announced that it will be inspecting Melaleuca between 15 and 29 November 2017.

- **Independent Visitors Scheme (IVS)**

The IVS is managed by OICS, utilising persons appointed by the Minister for Corrective Services. It is an independent form of external scrutiny that monitors and inspects prisons across Western Australian.

During the 2016-2017 period, the IVS undertook monthly visits to Melaleuca commencing in April 2017. Issues that were raised by prisoners included property and unit temperature complaints. Each complaint was responded to by Sodexo and responses were overseen by the Department.

5 Contract Payments and Associated Financial Information

5.1 Payments Made to Sodexo

The cost associated with the Agreement to the end of the 2016/17 financial year is shown below (rounded to the nearest dollar):

Description	Payment
Operation and Mobilisation Payments <small>Note – This does not include the outstanding Semi-Annual Performance Payment for January to June 2017.</small>	\$ 9,038,824
Gross Total	\$ 9,038,824

Operation payments are made on a monthly basis, utilising a *Quarterly Accommodation Plan* (QAP) which is provided three months in advance of the operating period. The QAP specifies how many beds the Department requires Sodexo to make available. During the operational period the QAP directed that Sodexo make available 229 beds. Beds utilised over this identified amount are invoiced in accordance with the *Premium Beds Availability* rate outlined in Schedule 2 of the Agreement.

The monthly invoice also withholds 10% (*Operating Performance Incentive Adjustment* (OPIA)) of the scheduled fee each month which is set aside for the Operating Performance Incentives. The SAPP will be paid twice yearly following a submission by Sodexo and review by the Department.

6 2017/2018: The Year Ahead

Some of the major initiatives and challenges for 2017/2018 include:

- Driving continuous improvement in service delivery by Sodexo at Melaleuca by:
 - Further developing and implementing the contract management framework;
 - Monitoring performance against the suite of performance measures; and

- Identifying service delivery levels through audits, reviews and compliance activities and taking any necessary improvement actions.
- Ongoing prisoner population planning, ensuring the Quarterly Accommodation Plan aligns with the requirement for prisoner bed availability;
- Reviewing and addressing any recommendations made by the Inspector of Custodial Services.