

PRISONER TRANSPORT SERVICES — CONTRACT

1256. Hon Giz Watson to the Parliamentary Secretary representing the Minister for Corrective Services

I refer to the court and custodial services contract for prisoner transport services relating to tender number EOI 832/97 and ask —

- (1) Have the contractual obligations of the service provider changed since the contract was first issued?
- (2) If yes to (1), —
 - (a) what changes have occurred;
 - (b) when did each change occur; and
 - (c) will the Minister please table the original contract together with documentation implementing each change?
- (3) Noting that the Government's response to recommendation 11, made by the State Coroner following the investigation into the death of Mr Ward, refers to further or other documentation apart from the contract that imposes obligations on the service provider (for example a Contract Management Framework and associated Work Instructions), —
 - (a) what changes have occurred since this documentation was first issued;
 - (b) when did each change occur; and
 - (c) will the Minister please table the original documentation together with documentation implementing each change?
- (4) How are the provisions of the *Court Security and Custodial Services Act 1999* reflected in the contract and the documentation referred to at (3)?
- (5) How does the Department currently monitor the contract and the documentation referred to at (3) to ensure —
 - (a) the service provider is consistently meeting all obligations contained in those documents; and
 - (b) relevant issues raised by the Inspector of Custodial Services are addressed?
- (6) Does the contract and/or the documentation referred to at (3) contain notification provisions requiring the Department to be kept informed of, —
 - (a) all acquisitions by the private service provider of other companies;
 - (b) all contracts awarded to the private service provider or its subsidiary or parent companies by other Departments;
 - (c) the identity of the private service provider's directors;
 - (d) the identity of the private service provider's major corporate share holders; and
 - (e) the subsidiaries and parent companies of the private service provider?
- (7) If yes to (6), —
 - (a) what other contracts does the government have with the current service provider or any of its subsidiary or parent companies;
 - (b) who were the directors of the previous service provider immediately before its acquisition by the current service provider;
 - (c) who were the directors of the current service provider immediately after its acquisition of the previous service provider;
 - (d) which companies hold over 100,000 shares in the current service provider (please identify how many shares are held by each company);
 - (e) which companies are currently subsidiaries of the current service provider; and
 - (f) which companies are currently parent companies of the current service provider?
- (8) If no to (6), —
 - (a) why not;
 - (b) is the Department kept informed of these matters by any other process?

- (9) If yes to (8b), —
- (a) what is the process;
 - (b) what other contracts does the Government have with the current service provider or any of its subsidiary or parent companies;
 - (c) who were the directors of the previous service provider immediately before its acquisition by the current service provider;
 - (d) who were the directors of the current service provider immediately after its acquisition of the previous service provider;
 - (e) which companies hold over 100 000 shares in the current service provider (please identify how many shares are held by each company);
 - (f) which companies are currently subsidiaries of the current service provider; and
 - (g) which companies are currently parent companies of the current service provider?
- (10) On what date did the then Government become aware of discussions between the previous service provider and the current service provider about acquisition of the former by the latter?
- (11) Has there been a cost benefit analysis of prisoner transport services since 1997?
- (12) If yes to (11), —
- (a) when was the last cost benefit analysis; and
 - (b) will the Minister please table it?
- (13) Why has no new Expression of Interest for the prisoner transport services relating to tender number EOI 832/97 been issued since 1997?

Hon MICHAEL MISCHIN replied:

- (1) Yes.
- (2) (a) The agreed services in the contract have been subject to variation to ensure service provision meets the changing requirements of court security and custodial services across the State, which has included (but not limited to):
- The excise of the Central Law Courts from the contract (following the commencements of the new District Court Buildings (DCB) Contract);
 - The excise of transport services for juvenile offenders in the metro region;
 - Lockup services at specified prescribed locations; and
 - Increase in Court services to certain specified areas.
 - Changes have also been made to the contractual terms which have improved the manner in which the Department manages the performance of the service provider, including (but not limited to):
 - The replacement of the client satisfaction survey (namely the client agencies) with performance improvement requests;
 - A review and adjustment of the performance measures to reflect the key priorities of the client agencies; and
 - The reporting structure for critical and major incidents.
- (b) Two Deeds of Variation have been executed by the Department, in 2006 and 2009 respectively, to formally encapsulate amendments to the contract.
- (c) No. The Department is however agreeable for the original contract and the subsequent deeds of variation to be released to you for review.
- (3) (a) Changes to the Departments' process for managing the approval of Contractor policies and procedures have occurred. The changes to the CS&CS Contract Management framework and associated Work Instructions were:
- The Contractor is responsible for developing policies and procedures in relation to the Services (in accordance with an existing contractual term).

- Each policy and procedure must be submitted to, and approved by, DCS Contracted Services prior to its implementation.
- All Contractor policies and procedures are assessed by Court Security and Custodial Services Policy Review Panel.
- The Contract Manager has delegated authority under the Contract for final approval of the policies and procedures.
- Each policy and procedure is to be reviewed at least annually.
- Any changes to policies and procedures proposed by the Contractor must first be reviewed by DCS Contracted Services, and then follow the process articulated above.

It should be noted however that the purpose of these documents are for use internally by DCS as to contract management procedures (and not to impose additional, non-contractual obligations on the service provider).

- (b) 2008
- (c) As the Contract Management Framework and Work Instructions are for use internally by DCS it is not considered relevant for tabling.
- (4) The current contract ensures that the specified contractual requirements as set out in the Act are met (noting that a Contract Management Framework and Work Instructions are not legislative requirements).
- (5) (a) The contract is monitored by a team of monitors who conduct compliance testing in accordance with the Department's Monitoring Plan. The Contract Management Framework and Work Instructions are for use internally by the Department and are monitored through the Corporate Support Quality Management Team. The Contract Management Framework provides for a range of processes, including a Compliance Calendar which entails monthly meetings and annual reviews.
- (b) As part of the Compliance Calendar processes, a representative from the Office of the Inspector attends the monthly meetings with the contractor and client agencies.
- (6) (a)-(b) Yes and No. This is not a specific contractual obligation on the service provider, however the contract does provide for the following:
- "Throughout the Term and any extension of the Contract the Contractor shall not engage in any activity or obtain any interest likely to conflict with or restrict in providing the Services and shall disclose to the State any activity or interest which may conflict with the provision of the Services". (Clause 30(h) of the contract)
- (c)-(e) The contract provides that the "contractor must notify the Contract Manager within seven (7) days of any change in the control, management or ownership of the contractor or any subcontractor, including (without limitation) any change from that identified in the Proposal" (clause 24.4(b)). This includes changes to:
- The company structure
 - Company shareholdings (any increase or decrease of more than 5%)
 - People holding positions of authority of control
- (7) (a) Although the contract does not specifically provide for details of all contracts awarded to the private service provider or its subsidiary or parent companies by other Government agencies to be made known to the Department, the Department is aware that the current service provider also provides court services to the District Court Buildings (DCB) under sub-contract to the Western Liberty Group.
- (b)-(c) Michael McCarthy
- (d) The current service provider is 100% owned by G4S Australia Pty Ltd.
- (e) The current service provider does not have any subsidiary companies.
- (f) G4S Australia Pty Ltd (which forms part of G4S Asia Pacific, which in turn is a subsidiary of G4S Plc).
- (8) (a) Commercial in confidence.
- (b) No.

- (9) (a)-(g) Not applicable.
- (10) 19 December 2007.
- (11) Yes. The Department has sought to review the services and service delivery model on a number of occasions in order to better manage the financial and operational risks of the existing contract and also, in response to directions from Government, to consider other options for the delivery of services.
- (12) (a) It is currently in progress.
(b) No. It is currently in commercial confidence until such time a decision is made by Cabinet regarding the future delivery of services.
- (13) The Government made the decision not to re-tender the services and to extend the Contract under those terms which were available at the time.