



PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

Prisons Infrastructure Redevelopment Program, Stage C – Extension Works

Presented to His Excellency the Governor pursuant to the provisions of the Public Works Committee Act 1914.

MEMBERS OF THE COMMITTEE

LEGISLATIVE COUNCIL

Mr Harriss (Chairman)
Mr Hall

HOUSE OF ASSEMBLY

Mr Best
Mrs Napier
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By Authority: Government Printer, Tasmania

INTRODUCTION

To His Excellency the Honourable William John Ellis Cox, Companion of the Order of Australia, Reserve Forces Decoration, Efficiency Decoration, Governor in and over the State of Tasmania and its Dependencies in the Commonwealth of Australia.

MAY IT PLEASE YOUR EXCELLENCY

The Committee has investigated the following proposal: -

Prisons Infrastructure Redevelopment Program, Stage C – Extension Works

and now has the honour to present the Report to Your Excellency in accordance with the *Public Works Committee Act 1914*.

BACKGROUND

The redevelopment of the Risdon Prison is integral to the strategy for improving correctional services in Tasmania. The Risdon site redevelopment is the initial phase of the Prisons Infrastructure Redevelopment Program and is henceforth described as PIRP Stage C.

The Committee has previously reported upon PIRP Stage C on 7 August, 2003, (Paper No. 11).

Having approved the inclusion of additional medium security accommodation and associated program facilities in the PIRP Stage C project on the Capital Investment Program, the Government has referred the works to the Committee. Such extension works are the subject of this report.

Current PIRP Stage C Project Scope

Phase	Description of Works	Timetable
Phase 1	Secure Mental Health Unit (SMHU). Women's Prison Part 1.	Completion by December 2005.
Phase 2	Women's Prison Part 2 Maximum Security Cell Blocks. Medium Security Units. Reception and Release facility. Protection facilities. Health Centre. Visits facility. Perimeter Fence, including Main Gate. Education and Development Facility. Industries Workshop.	Completion by July 2006.

PIRP Stage C Procurement Process

The procurement process selected to deliver the PIRP Stage C Project is based upon the Managing Contractor – Design and Construction Management model, which is widely used for major projects in Australia.

In this process, the Principal engages design consultants for the first phase of design to establish the design fundamentals (as a response to the client's briefs) and what is deliverable within the available budget.

The Principal then engages the Managing Contractor through a registration of interest and tender process after which the design consultants are "novated" to the Managing Contractor.

Following engagement, the Managing Contractor undertakes the detailed design, documentation, tendering and construction administration of the project with the assistance of the design consultants in a two-stage process.

The third stage of the contract of the PIRP Stage C project involves the agreement with the Managing Contractor for ongoing maintenance on the construction. The maintenance contract will run for a fifteen-year period after the end of the defects liability period of the construction contract.

Current Stage C Project Update

Progress

The Department of Justice appointed the following consultants in November 2002 to complete the Stage C project brief and the preliminary design:

Architecture:	Phillip Smith Conwell/BPSM Architects
Structural and Civil Engineering:	JMG Consultants
Security and Communications:	Barry Webb and Associates
Electrical and Mechanical Services:	GHD
Fire Services:	Connell Mott MacDonald
Hydraulic Services:	CCD Australia
Landscape Architecture:	Barwick and Slatyer

The Stage C Managing Contractor, a John Holland/Fairbrother Joint Venture, was appointed by the Department of Justice in November 2003 and subsequently engaged the above consultants.

The Department of Justice has appointed the following consultants to provide independent advice for the Stage C project:

Matrix Management and Wilde & Woollard in joint venture, as cost planners;
Community Focus, for stakeholder communication services;
Roy Cordiner, for procurement advisory services; and
Deloitte Consulting, for probity advisory services.

The Managing Contractor completed Stage 1 (design development) in May 2004 and is now undertaking Stage 2 (documentation, tendering and construction).

The Managing Contractor has tendered and engaged subcontractors for 80% of the works and is currently on target to achieve the phased completions in accordance with the contracted program.

The long-term maintenance arrangement to form Stage 3 of the contract has been finalised and will commence immediately on completion of the first phase of the works.

DEMAND CONSIDERATIONS

Earlier Demand Analysis

This matter was dealt with in considerable detail in the Submission to the Committee on the previous reference. It stated, in part:

During Stage B of the PIRP, consultant John Walker, a respected criminologist then based in Canberra, prepared forecasts for the prisons population of Tasmania and predicted 1381 receptions to Tasmanian prisons in 2001-02 and 1378 in 2002-03.

Walker also predicted a maximum of 478 prisoners in 2002-03, and a peak of 508 in 2005 (from a total of 20 years to 2019). A high population scenario (base +20%) put this figure at over 600 in early 2003, and as high as 625 over the period to 2007 as a result of seasonal fluctuations.

During the early planning phase of PIRP Stage C a social and demand analysis was undertaken by consultants Drs Elaine Stratford, Julie Davidson, Matt Bradshaw and Rob White from the University of Tasmania, acting as private consultants to the Program.

The previous Submission to the Committee included the following:

From the analysis, the scenarios suggested that the annual prison population for Tasmania might have been be as little as 340 or as high as 480 by 2015, with a remand population as high as 81.

However, it was emphasised that projections were highly sensitive to perturbations in political, policy and operational contexts, and that they could also be affected by a range of socio-demographic trends and criminogenic behaviours that differentially affect men and women, youths and adults, and people from different backgrounds.

The prison system capacity following the Stage C project will be:

Prison System capacity following Stage C Project	
Stage C new accommodation	281 beds
Existing facilities retained (interim)	295 beds
Hobart Remand Centre	40 beds
Launceston Remand Centre	28 beds
Hayes Prison Farm	68 beds
Total capacity	712 beds

The Current Situation

Between July and November 2004, the number of inmates increased by almost 25%, with numbers peaking in November at 554.

The available data indicates that the primary reasons for rising prisoner numbers are not population or demographic changes. Rather, the change in numbers appears to be driven by a combination of other factors, outlined below.

While the overall rate of reported crime is dropping in Tasmania, there has not been a corresponding drop in numbers of inmates. Over recent years, Tasmania has gone from an imprisonment rate substantially below the national average to an imprisonment rate equalling the national average.

The factors that appear to be driving the increase in prisoner numbers are:

- Changes to police practices,, such as:
 - improved operational practices, leading to a higher “clear-up rate”;
 - increased numbers of police on operational duties and increased resources for police services;
 - national and international co-operation;
 - greater focus on reported crimes, resulting from the lower rates of crimes reported; and
 - improved information systems, allowing better targeting of responses.
- High level of support in the community for a “tough on crime” approach.
- Legislative changes, including the use of DNA techniques, improved court processes and changes to bail and sentencing processes. The impacts of the 2002 changes to parole setting are starting to have an impact, with prison terms increasing.

The above changes may also have led to a higher proportion of convictions to crimes committed. Improved forensic techniques may also result in longer sentences over time.

Some of the delays in the court system have been addressed, resulting in a reduction in back-logs. An increase in the conviction of people for previous crimes (such as sexual assault) may have led to an increase in the number of people reporting such crimes. Changes to evidence processes may have also enabled the prosecution of these offenders, where they once would not have come before the courts.

The *Safe at Home* legislation is likely to bring many more offenders into the system and a large proportion of these are likely to be new to the custodial system.

Social Changes

There is some evidence that the age range of prisoners is increasing. There are now increasing numbers of middle aged and older prisoners coming into the system. A significant proportion of these are males who have committed historical sex offences. Changes in community attitudes to sexual assault within the family have also led to an increase in prosecutions.

Changes to Remand

The time spent in remand and the percentage of the population in remand are increasing. Data suggests that numbers rose from 70 to 130 over a period of six months. Most of those remanded in custody over this period were non-aggravated assaults and failure to appear in court. Prosecutors are taking a harder line on bail and more accused people are remanded in custody.

Natural fluctuations in numbers in a small system

The available information suggests that the Tasmanian prison system will always have large fluctuations in numbers, due to its small size.

The Overall Impact

Based on the available information, it is likely that:

- numbers of prisoners would remain high, unless new interventions change this trend;
- numbers of women prisoners would continue to increase and the type of crimes they are involved in would continue to change over time;
- the reporting rate would continue to rise in some categories of offences, even though the overall rate of reported crime is likely to continue to decrease;
- there would be a growth in 3-6 month sentences;
- conviction rates would continue to improve;
- more old cases would come before the courts; and
- the age profile of prisoners would continue to rise (in 2004, 12% of the prisoner population was 50 years plus, compared to 5% in 1996).

PROPOSED INCREASE IN SCOPE OF THE WORKS

The proposed expansion of the inmate accommodation and related infrastructure at Risdon was provided for in the master planning of the overall site and can be included in the current contractual arrangements.

The Extension Works are comprised of three additional medium security accommodation blocks and an additional workshop, to be constructed in pre-planned locations in the new Men's Prison.

The additional accommodation will take the form of three double-storey blocks, with each block containing four separate units: an eight-bed unit and a six-bed unit at ground level and a similar arrangement of two units upstairs. The upstairs units open on to an external terrace, which is serviced by external stairs. Each of these units functions independently and has a separate security system.

Each unit has the following shared facilities:

- a combined bathroom/laundry - comprising toilets, showers, basins and laundry equipment;
- a tea/servery kitchenette – capable of being used to prepare light meals; and
- living and dining areas.

The eight-bed units contain six single-bed cells and a two-bed 'buddy' cell, consistent with recommendations of the Aboriginal Deaths in Custody Royal Commission.

Each six-bed unit contains six single-bed cells. One of the six-bed ground level units provides facilities for inmates with disabilities.

In total, the Extension Works will accommodate an additional 84 Medium Security inmates, in 12 separate units, which will enable more appropriate separation between different prisoner groups and provide a clear incentive to Maximum Security prisoners to improve their behaviour and graduate to this contemporary Medium Security Accommodation.

As is the case generally with other PIRP Stage C facilities, these additional Medium Security blocks are connected by ramped pathways, with a maximum gradient of one in 20 and conforming to the current Access Codes for Persons with Disabilities.

The additional Workshop to be provided will enable the Prison Service to deliver a broader range of rehabilitation and recreation programs. An extension to the secure spine of the new Men's Prison will connect the Workshop to all other common-use facilities and provide secure access to all inmate groups.

PROCUREMENT

Planning and Building Approval

A development application has been submitted to the Clarence Council for the Extension Works.

It is expected that Development Approval will be granted without delay because the placement of buildings for the future expansion of the Men's Prison, the Women's Prison and the SMHU were included in the original development application for the project.

Similarly, Building Permits have been sought and issued for the project works now under construction and, due to the similarities between those and the Extension Works, no delays are anticipated.

Design, Construction and Maintenance

The Extension Works will be undertaken by variation to the existing contract with the Managing Contractor. This process was provided for when the contract was drafted which fixed the fee for the effort expended by the Managing Contractor in administration, co-ordination and supervision in relation to variations.

The subcontracts already in place would be varied to include the extended scope of the work. This was anticipated by the Managing Contractor in the tender process for the subcontractors, to ensure that value for money would be achieved if the scope of work were to be significantly increased.

The inclusion of the work covered by this reference under the existing Managing Contractor arrangement is essential, not only to meet the demonstrated need for additional accommodation, but also because:

- the security and safety of staff, contractors and the prisoners could be compromised if the additional accommodation and related facilities had to be built from scratch within an operating prison environment;
- the cost basis for variations under the current contract has already been determined and the prices fixed in what is a highly inflationary tender market;
- the knowledge and expertise of the Managing Contractor's full design and construction team relating to this particular project may not be available to work in Tasmania after the completion of the contract; and
- the long-term maintenance arrangement for the facilities covered under the existing contract can be varied to include the facilities included under this Reference without an adverse transfer of risk onto the Government.

PROJECT COSTS

The cost of the works included in the previous Reference to the Committee was \$63.5 million.

The Government provided additional funding to allow for cost escalation until the completion of the project. This surplus funding also enabled the Department to finalise contract negotiations that are to take place after the first phase of development and to set the Guaranteed Construction Sum for the completion of the works in the second phase.

The contractor advised that unprecedented growth in the Building Price Index had significantly increased the cost to complete the works over the period May 2003 to May 2004, during the first phase of the contract (design development).

The increased budget for the project amounted to \$80.6 million.

The Government has now approved an additional \$9.01 million funding for the increase in scope of the works, which is the subject of this report.

This brings the total project allocation to \$89.6 million.

The cost of the Extension Works on a completed cost basis, as offered by the Managing Contractor and verified by independent, specialist Quantity Surveyor Matrix/Wilde Woollard, is as follows:

EXTENSION WORKS ITEM	\$M
Buildings	
S5 – Medium Security Accommodation Block (28 beds)	2.06
S6 – Medium Security Accommodation Block (28 beds)	2.06
S7 – Medium Security Accommodation Block (28 beds)	2.06
W2 - Workshop	0.91
Other Works	
Site Works incl. Fences, Paving and Covered Ways	0.59
External and Other Services	0.78
Other Project Costs	
Design Consultants incl. Contract Administration	0.29
Project Management incl. QS Audit	0.26
TOTAL PROJECT COST (excl GST)	\$9.01

EVIDENCE

The Committee commenced its inquiry on Thursday, 19 May last. The following witnesses appeared, made the Statutory Declaration and were examined by the Committee in public:-

- Peter Hoult, Secretary, Department of Justice

- Jim Ovens, Program Manager, Prisons Infrastructure Redevelopment Program
- Mike King, Project Manager, John Holland/Fairbrother Joint Venture
- Roy Cordiner, Procurement Consultant to the PIRP

Overview

Mr Hoult provided the following overview of the project:-

I believe there are three main reasons why the Government has agreed to the request of the Department of Justice for additional capital works within the PIRP stage C contract. The first of these relates to the continued increase in the numbers of sentenced and unsentenced prisoners within the Tasmanian Prison Service. The second of these relates to the opportunity to create additional flexible use accommodation that can be used to increase the separation of different types of inmates, particularly remandees, protection inmates, and vulnerable younger men. The third is the acceptance that there would be a very high cost penalty in commencing the additional construction, at a later date, when the perimeter security in PIRP stage C was completed and the new prison facility was populated.

In expectation of this funding the Prison Service has worked up its new operating model with the new facilities within that model and the necessary changes to the operating model and to staffing arrangements have been made.

In essence, what has occurred since July 2004 has been a major increase in the number of prisoners, sentenced and unsentenced, managed by the Prison Service. The increase since July 2004 to the present time is about 25 per cent and, as of Monday this week, the Prison Service was managing 559 inmates. While the additional works were not originally planned, the Government has responded to the increase in numbers in what I believe is a very sensible way in terms of facilities developments, and it has meant that we can now use the old Risdon maximum security prison post mid-2006 solely for minimum prisoner accommodation, rather than the alternative which would have been that we were required to use at least some of the old Risdon maximum prison for medium as well as minimum security prisoners.

The Prison Service has been very conscious of the need to improve the physical separation of various categories of prisoners. The current prison facilities make that difficult to do, and seeing the only kind of accommodation available on the Risdon site at the moment is maximum, there is no variation in the style of accommodation available. Once the new prison is completed with these additional 80-plus medium security beds we will much better be able to address the needs of prisoners for separation, particularly the groups I spoke about. Hopefully we can change the current system whereby people remanded in custody are automatically classified as maximum security, and we will have the opportunity to do rapid risk assessment and classify some remand and unsentenced prisoners as medium security while having them remain within the secure compound itself.

Development time frame

The Committee questioned the witnesses as to the impact of the extension works upon the time frame for the construction. The witnesses responded:-

Mr HOULT - *We are proposing to get all the major works done on the three additional medium security blocks and the related infrastructure around that - the workshop and the extension of the secure spine - before the closing of the wire, and complete the new works by December 2006. There is about a 16-week period after the closing of the secure perimeter where we will be required to bring a work force in on a daily basis. That has been costed into the process and the new facilities, which will be being finished, particularly the internal works and finishing works, will have a temporary secure perimeter around them to separate them off from the remainder of the prison population. The cost of that security is also costed into the \$9.01 million.*

Mr OVENS - *The envelopes will be up.*

Mr HOULT - *And this was our last opportunity to do that obviously because we could not slow down the main works for this. I think that is why the Government realised that if they were going to do this it was the most cost-effective time to do it. There is a cost penalty already of doing it while we have an operating prison; we accept that cost penalty, but it is nowhere near as great as if we had to spire up a project in 12 months' time and start the heavy earthworks and pouring from scratch.*

Mr OVENS - *That applies to the three accommodation blocks. The new workshop and an extension to the secure spine will be complete and ready for operation by 25 July next year, which is the practical completion date for the existing contract.*

Design

The Committee questioned the witnesses as to the design of the proposed reception area. Mr Hoult responded:-

(Prisoner processing) is part of the common-use facilities and prisoners will be brought in a secure vehicle (and) park in a secure area, then they will be taken into ... a maximum security building. They will be processed there and their possessions will be stored. The recording of their time in this prison will commence from that point.

... the prison we are building ensures that no maximum security prisoners will be moved en masse as they are in the current Risdon Prison because of where the showers are.

All of the cells have individual shower facilities in maximum security cells. There is no mass movement of prisoners at all. Yes, you are quite right, it is much more secure and the movement is controlled within the controlled spine - the completely shielded walkways - controlled by electronic doors so we do not have that kind of mass movement anymore.

Meals

The Committee questioned the witnesses as to the proposed system of providing hot meals within the new facility. Mr Hoult responded:-

The heating of the meals will occur within the actual prisoner units so the meals are not transported out to heating; they are heated at the point where they are delivered.

Subsequently, in correspondence dated 20 May 2005, Mr Hoult advised:-

“The information I gave was based on a previous plan for those services and I was unaware that changes had been made.

I apologise to the Committee for this error and provide the following information which I have confirmed with planning and service delivery staff within the PIRP Project and the Prison Service.

The needs and characteristics of different parts of the PIRP-C development are varied and the food services chosen by the Forensic Mental Health Service and Prison Service, to align with their new operational models are as follows:

SMHU

The Forensic Mental Health Service has chosen the following food service for this 35-bed Facility:

- Cook-chill meals prepared and supplied by an external contractor;
- To be stored and regenerated (rethermed) in the SMHU kitchen;
- Hot meals to be transported by trolley to adjacent High Dependency Unit and Extended Care Unit dining areas; and
- Patients in semi Independent Living Unit to self-cater from raw materials supplied to them in that unit’s kitchen.

Women’s Prison

The Prison service has chosen the following food service for this 45-bed Prison:

- The existing Women’s Prison kitchen to prepare all meals for Maximum and Medium Security prisoners;
- These hot meals to be transported to accommodation areas by trolley in thermally insulated boxes; and
- Minimum Security prisoners are to self-cater from raw materials supplied in the new Minimum Security kitchen and the Mother and Baby Unit kitchen.

Men’s Prison

The Prison service has chosen the following food service for this 289-bed Prison:

- Meals to be prepared in existing Risdon Prison kitchen for this 289-bed Prison;
- Individually plated meals to be regenerated (rethermed) in the kitchen and transported hot by vehicle/trolley using thermally insulated boxes. (These boxes are designed to allow only 3°C heat loss over 30 minutes. The Prison service will implement procedures to deliver the meals within that time-frame);
- These meals will be delivered to both Maximum Security and Medium Security Units (This system is currently used by NSW Corrective Services and is assessed by the Tasmanian Prison service to be successful in delivering quality meals at an appropriate temperature in a quality controlled environment.); and
- Medium Security Units are also provided with kitchenettes to enable Medium Security prisoners to self-cater for light meals.”

Mr Cordiner added:-

I think that self-catering part of the plan too makes a terrific difference to the medium security facilities as each cell unit has a small kitchenette. Very often they will be able to do their breakfast or make snacks so they have more control over their food production.

Prison programs

The Committee questioned the witnesses as to what facilities would be provided for inmates. Mr Hoult responded:-

We will continue for the medium term to operate the workshops and the kitchens in the current Risdon maximum and the 100 or so minimum security prisoners who will be located there will have access to all of those industries and jobs.

We will run two workshops and a laundry. A full commercial laundry is now being placed within the secure perimeter, which Jim can point out. That will be equipped as a full commercial laundry and there will be a seamless move from the old laundry in the old prison across because it is completely new equipment so we don't have to do a transfer.

We are trying to maximise the number of jobs inside the new wire, as well as outside, and we are hoping to establish - we have consultants working at the moment - woodworking and furniture industry in the workshops within the new prison with an additional workshop.

... we will introduce what is called a structured day. Nobody will work full-time in a job. We are splitting the day into two parts and each industry job will service two prisoners. The remainder of the day will be about education, training and personal matters. They will either work on morning shift in an industry and have the afternoon for education and other training, or they will do an afternoon shift in industry and

have the mornings for the other stuff. We will actually have more access per prisoner to an industry than we do now.

The Committee sought to know what access, if any, maximum security prisoners would have to the workshop and the laundry. Mr Ovens responded:-

... one of the core principles of the planning of this prison is that this secure spine allows every prisoner who is eligible to have access to every facility. That is why this is set up this way so that no-one is necessarily denied an opportunity.

Mr Hoult added:-

... the structured day for maximum security prisoners is a very different event than the one for medium security prisoners. I am sure if you would like to we could, at a different place, take you through the planning for this. There is much more a focus on of their offending behaviours, their assessment of criminogenic need than it is towards basic industries. The idea is to get them out of maximum and into medium as soon as they are able to be got out and increase the amount of industry training and other training available. The people who are in maximum - will be far fewer than we have now in maximum - will be people who are receiving treatment programs for their criminogenic behaviour and very basic level training in behaviours and other things before they are going to be allowed out to use power tools or other pointed objects. There will be completely different structured days for maximum security prisoners than for the mediums, who will be focused on work and training.

The Committee asked the witnesses whether every maximum security inmate would be able to undertake daily work experience and training in the workshop and laundry. Mr Hoult responded:-

That is the target. Whether we do it for everybody, we don't know yet because we are still doing the consulting on the industries we will put into the second industry space. That is the work we have going on at the moment around woodwork trades and furniture trades.

Refurbishment of existing facilities

The Committee questioned the witnesses as to the extent of the refurbishment of the existing maximum security area to accommodate minimum security prisoners in the new configuration. Mr Hoult responded:-

We are proposing fairly minimal works. The division 1 model where they are largely self-catering has open space and prisoners will be allowed to move around. We will in fact introduce a similar regime into Hayes - they will not be locked in, they can move around, they can access the canteen area and things like that on a normal basis. Basically, the front door will be locked at night and we will have excess capacity in there which we just will not use, touch wood!

... and we are doing some new facilities for the custodial officers as well outside the wire to give them a bit better accommodation. We are already doing the works on the kitchens and the catering facilities in the prison in order to keep them running for several years.

Costing

The Committee questioned the witnesses as to the costing methodology and contractual arrangements for the project. Mr Hoult responded:-

The current contract, the rise and fall contract, was renegotiated at the front end when the consortium said to us, "We cannot build it for that fixed price". The Government agreed to a new fixed price and that was locked in at the commencement of the works in late 2004 and a variation was executed for the contract with the new price. That has remained a fixed price right through and will remain to the end of the works. We asked our contractor for a quote for the additional works that is the subject of this submission and they have delivered a fixed-price quote for that work.

Mr Ovens added:-

... we then took that price that we were given to an independent expert of cost planning and had independent verification of the value-for-money status.

DOCUMENTS TAKEN INTO EVIDENCE

The following document was taken into evidence and considered by the Committee:

- Department of Justice – Prisons Infrastructure Redevelopment Program Stage C Project – Extension Works, Submission to the parliamentary Standing Committee on Public Works, May 2005.
- Correspondence dated 20 May 2005 from the Secretary, Department of Justice to the Secretary of the Committee entitled "PIRP Stage C Project – Extension Works – Food Service".

CONCLUSION AND RECOMMENDATION

The increase in scope of the Stage C project to include additional medium security accommodation and associated facilities and infrastructure is an essential response to increasing prisoner numbers. It will ensure that the provision of a safe and secure operating environment for prisoners will not be compromised.

In light of the evidence provided by the Secretary of the Department of Justice in his correspondence to the Committee dated 20 May 2005, the Committee is concerned that the original policy commitment of reheating cook-chill meals in each of the units has been dropped. The Committee is concerned to ensure that prisoners get their hot meal a day in such a way that it is healthy, edible and hot.

Accordingly, the Committee recommends the project, in accordance with the documentation submitted, at an estimated total cost of \$9,010,000.

Parliament House
HOBART
12 July 2005

Hon. A. P. Harriss M.L.C.
CHAIRMAN