

13 August 2015

B2827

Minister of Corrections

Mt Eden Corrections Facility: Ten Point Plan for Improvement

Purpose

- 1 This briefing informs you of the Department of Correction's ("**the Department**") plan to ensure public safety, manage risk and improve prison performance in light of recent events at the Mt Eden Corrections Facility ("**MECF**"). We also outline the actions the Department is taking to respond to and learn from these events, attached as Appendix 1.

Executive Summary

- 2 Recent events at MECF have highlighted a number of areas which require immediate attention. Steps have been taken to ensure public safety, manage risk and to improve prison performance through operational, contractual and legal avenues. Following our meeting on 24 July 2015, the Department has stepped in to manage the operations at MECF while a number of reviews are progressed, including the review by the Chief Inspector which is being overseen by the Office of the Ombudsman. I have also issued further performance notices and personally set out my expectations to the Serco management team.
- 3 I have commissioned work on a range of measures to strengthen the contractual and operating model at MECF, including enforcing Serco's minimum staffing levels. While we work to stabilise the site, our plans will be fully informed by the Corrections management team that I have put in place. I will also consider Serco's own review into this matter before discussing with you a decision on returning the site to the existing contractors.
- 4 I have also established an Executive Recovery Team that I will Chair. The Team includes the Executive Leadership Team, plus key members of the Step-In management team. We will keep you fully briefed as progress is made.
- 5 Looking to the future my goal is to take all reasonable steps to ensure that MECF is a well managed and effective facility that operates according to best practice and meets all obligations and standards. I want to ensure that all staff are well supported in their roles and that prisoners are incarcerated in a safe and humane environment. My preference would be to achieve this by

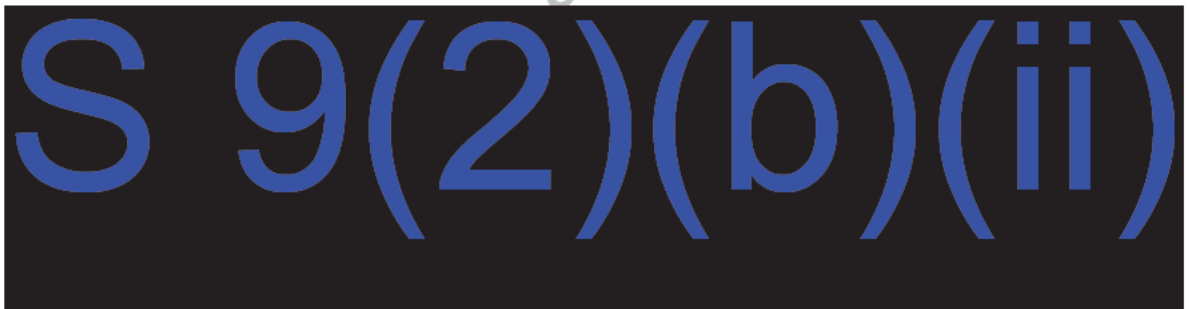
strengthening the existing contracting mechanisms, putting in place a stricter monitoring regime and through more rigorous and stringent oversight.

- 6 Within the terms of the existing contract, we have a number of options available to us to increase oversight including performance notices, step in - either full or partial, final notice or termination. The contract review point is also a critical milestone and comes up for consideration on 31 March 2017. I will need to advise Serco of the Department's intentions by 31 March 2016.
- 7 Finally, I have commissioned work on alternative management scenarios for the longer term future. This work will canvass the international literature, operating models in other jurisdictions and also be informed by direct experience of comparable jurisdictions. I have asked for an initial report by 4 September 2015 on the alternative options that could be considered.

Background

Serco management of MECF

- 8 Since 2011, Serco has operated MECF under a Prison Management Contract with the Department. The initial term of the Contract is six years (until 2017) with a single option to extend for a further four years.
- 9 An annual Contract fee of approximately \$31.5 million comprises a Base Services Fee ("**BSF**") and a Performance Related Fee ("**PRF**"):



- 10 Prior to recent events, governance arrangements provided Departmental oversight of MECF at multiple levels – from an on-site monitoring team providing assurance on a daily basis to a Joint Contract Board led by my Executive Leadership Team and chaired by myself.

Recent concerns relating to the management of MECF

- 11 The Department has worked closely with Serco since it took over management of MECF in 2011. We have been working alongside the management team to embed effective performance.
- 12 Over time, we have increasingly worked to improve performance and address issues as they have arisen. This has included, where necessary, undertaking and commissioning independent reviews of specific incidents or issues, and imposing financial penalties where appropriate.

- 13 In recent weeks a number of new allegations have been made, or evidence presented in relation to allegations that were previously unsubstantiated. This new information has highlighted potentially systemic issues with the operation of MECF and led to widespread concern about the management of the prison.
- 14 Our priority has been to immediately assure the safety of prisoners and staff at MECF, and restore public confidence in the prison. We have taken steps to achieve this, with our key actions set out as follows.

Action Item 1: Chief Inspector's Investigation

- 15 On 19 July 2015, I commissioned an investigation into the existence of fight clubs and the availability of cell phones at MECF. This investigation is being led by Chief Inspector Andy Fitzharris, assisted by Louise MacDonald, Inspector of Corrections. This investigation will be carried out in line with section 29 of the Act, under which the Inspectorate has the power to visit, inspect, examine and conduct inquiries in prisons.
- 16 The terms of reference for the investigation contain two phases. In phase one, the Chief Inspector will:
 - Investigate and report on the circumstances surrounding the events, as depicted on YouTube, and the potential existence of Fight Clubs at MECF.
 - Investigate and report on the extent to which the standards, procedures, operational systems, work practices and internal controls for the proper management of prisoners were in place and being complied with.
 - Make recommendations for the improvement of promulgated standards, procedures, operational systems, work practices and internal controls as may be necessary.
- 17 Preliminary findings from phase one are expected to be completed and reported to the Chief Executive by 28 August 2015.
- 18 Phase two will review the adequacy of controls designed to address prisoner violence and access to cell phones operating in other New Zealand prisons. The Chief Inspector will also investigate any similar reported incidents of cell phone use in New Zealand prisons.
- 19 The Ombudsman is providing independent oversight of this investigation and may investigate any aspect of the investigation as they see fit.

Action Item 2: Decision to Step in at MECF

- 20 Following my meeting with you on 24 July 2015, the decision was made for the Department to Step-In at MECF. The Step-In period commenced on 27 July 2015, when Prisoner Director Dennis Goodin (who is usually Director of Tongariro/Rangipo Prison) led a team of 20 Departmental staff into MECF.

- 21 The primary aim of the Step-In is to safeguard the wellbeing of staff and prisoners presently in MECF on a day to day basis and to regain a sense of security, order and control. This will allow time for the Chief Inspector's investigation to be carried out. The Department has used a part of the well functioning site ("WFS") assessment during this time period. The WFS assessment will focus on safe custodial practice and will be used as both a diagnostic tool for understanding issues at MECF, as well as a benchmark for how MECF should be operating.
- 22 The Step-In was enabled by a clause in the Contract which allows the Department to install staff or procure a third party to perform some or all of the services at MECF as considered necessary. Step-in Events include any breach of the Contract by Serco which, in the Department's reasonable opinion, threatens or may threaten the health or safety of any person.
- 23 The Step-in is a flexible regime and allows the Department to suspend, replace and supplement elements of Serco's service provision. The contract allows for the recovery of staffing costs from Serco.
- 24 Step-in enables a temporary period of management by the Department with the goal being to stabilise the site and provide time for Serco to develop a robust management plan. We will be required to 'step out' when the underlying issues have been resolved to our reasonable satisfaction. I will need assurances by Serco that an effective plan is in place that meets my expectations. At that point I will discuss with you when the Department 'steps out', which will in part be informed by the Chief Inspector's investigation.

Action Item 3: Establish assurance across all Prisons

- 25 On 19 July 2015, I wrote to all Prison Directors requiring that they provide the National Commissioner with an assurance that no organised fight club activities are in existence at their prisons. If the Prison Director confirmed this activity had taken place in the past 12 months, they were advised to outline what steps they took to resolve the situation.
- 26 Further, I asked Prison Directors to increase efforts to prevent the introduction and usage of cellphones within prisons and required them to provide the National Commissioner with an updated plan for the detection of contraband within their prison by 31 July 2015, placing particular emphasis on the reduction of cellphone entry.
- 27 Phase two of the Chief Inspector's investigation will supplement the assurance activities that have taken place across the prison estate.

Action Item 4: Target assurance at Auckland South Corrections Facility

- 28 I am also focussed on receiving assurance of performance at Auckland South Corrections Facility. On 31 July 2015, I met with the SecureFuture Board to set out my expectations. I have also instituted additional on-site monitoring, doubling the resource available.

- 29 My senior staff are meeting with the SecureFuture Board every month instead of the quarterly meeting prescribed in the contract. I will brief you on the strengthened arrangements put in place at Auckland South Corrections Facility on an on-going basis.

Action Item 5: Establish Executive Recovery Team

- 30 I have established, and chair, the Executive Recovery Team to provide high-level oversight of developments at MECF. The Executive Recovery Committee will monitor developments on-site and provide governance to facilitate executive input into decision making in regards to MECF.
- 31 In particular, the Executive Recovery Committee will guide the Department's decisions in regards to:
- The Chief Inspector's report;
 - Any decisions to 'step-out' of managing MECF;
 - Serco's response to their own inquiry, the Chief Inspector's investigation and the penalty deductions from their contract.
- 32 The Committee first met on 5 August 2015.

Action Item 6: Consider Serco's own inquiry into incident

- 33 Serco themselves are conducting an inquiry into the alleged activities at Mt Eden Prison. The Department has been assured that this inquiry will be robust, systematic and sustained.
- 34 The recommendations and action plan following the review are expected to be reported to the Department and will complement the Chief Inspector's review. I have asked for this report by 30 September 2015.

Action Item 7: Issue performance and deduction notices

- 35 In response to the apparent serious violent events at MECF, I have issued several performance notices deducting payments from Serco's 2014/15 contract year:
- Performance Notice 53 (\$100,000) – "Breach of contract - Compliance with Laws and International Obligations – Ensure Safe Custody and Welfare"
 - Performance Notice 54 (\$50,000) - "Breach of Contract - Compliance with Performance Standards - Rate of Serious Assaults"
 - Performance Notice 55 (\$100,000) – "Breach of Contract - Compliance with Laws and International Obligations – Ensure Safe Custody and Welfare"

- 36 The Department awaits Serco's response to the notices before confirming the final amount that will be deducted. The Department has also issued Deduction Notice 33, for a failure to meet their Serious Assault KPI. This has resulted in a further \$315,043 of Serco's payments being withheld.

Action Item 8: Prepare for Contract Review Milestone

- 37 I intend to take all reasonable steps to ensure that MECF is a well managed and effective facility that operates according to best practice and meets all obligations and standards. I want to ensure that staff are well supported in their roles and that prisoners are incarcerated in a safe and humane environment.
- 38 We would prefer to achieve this by strengthening the existing contracting mechanisms and through more rigorous and stringent oversight.
- 39 Within the terms of the existing contract, we have a number of options available to us to increase oversight including performance notices, step in - either full or partial, final notice or termination.
- 40 The contract review point is also a critical milestone and comes up for consideration on 31 March 2017. At this time, the ten year contract allows a review after six years, meaning the contract with Serco for MECF can be withdrawn from 2017.
- 41 While exploring all options that are available inside the existing contractual framework, I have also commissioned work to explore alternative options for the management of MECF. These inquiries will focus on alternative models for service delivery, contractual governance and other methods for increasing contestability in the services being provided at MECF. I have asked for a scoping paper to be developed by 28 August 2015.
- 42 The Department's Commercial team and I have for some time already been reviewing the options for the six year mark and I will need to advise Serco of the Department's intentions by 31 March 2016.

Action Item 9: Commission policy work on alternative management options

- 43 I have also commissioned strategic policy work to canvass information about international best practice, overseas governance and operating models and similar experiences of comparable jurisdictions. A number of alternatives may be available to us including, for example, establishing a monitoring board with independent external members. I have asked for an initial report by 4 September 2015 on the alternative options that could be considered.

Action Item 10: Explore future direction of technology to prevent and detect contraband

- 44 I have commissioned a programme of work to review the future strategic direction of the cellphone jamming technology, as well as alternative or emerging methods for preventing and detecting cellphone use.
- 45 The cellphone-jamming technology in current use was progressively implemented in our prisons from 2007 through to 2010 and is directed to the designated prisoner accessible areas. Anecdotally, the Department is aware that criminal activity conducted from within prisons has reduced following the implementation of the cellphone-jamming technology. However, it is timely to review the effectiveness of this technology following the apparent use of cellphones within MECF. This report is expected by 30 November 2015.

Recommendations

46 It is recommended that you:

- | | |
|---|-----------------|
| a) Note that the Department has responded to concerns about the management of Mt Eden Corrections Facility with a ten-point action plan set out in this paper. | YES / NO |
| b) Note that I will brief you on any emerging issues and upon completion of each action item. | YES / NO |
| c) Agree to brief Cabinet on the response to issues at Mt Eden Corrections Facility. | YES / NO |


Ray Smith
Chief Executive

Hon Peseta Sam Lotu-liga
Minister of Corrections

Date signed:

/ /

Mt Eden Corrections Facility: 10 Point Plan for improvement

Action Item	Plan Item	Anticipated Due Date
1	Chief Inspector's Investigation	28 August 2015
2	Step in at MECF	In action
3	Establish assurance across all Prisons	On-going
4	Target assurance at Auckland South Corrections Facility	On-going
5	Establish Executive Recovery Team	In action and meeting daily
6	Consider Serco's own inquiry into incident	30 September 2015
7	Issue performance and deduction notices	on-going
8	Prepare for Contract Review Milestone	28 August 2015
9	Commission policy work on alternative management options	4 September 2015
10	Explore future direction of technology to prevent and detect contraband	30 November 2015

August 26 2015

Minister of Corrections

B2835

Extension of Step-in period for Mt Eden Corrections Facility

Purpose

- 1 This briefing updates you on the Step-in at Mt Eden Corrections Facility (MECF), and specifically informs you of the Department's intention to extend the Step-in from 30 September until 30 November 2015.

Initial Step-In

- 2 On 24 July 2015, the Crown gave notice to Serco New Zealand Limited (Serco) that it was exercising its Step-in Right under clause 28 of the Prison Management Contract for Mt Eden Corrections Facility dated 1 February 2011 (the Agreement).
- 3 The grounds for the Crown's exercise of the Step-in Right under clause 28.2(b) of the Agreement were that the Crown had reached the reasonable opinion that Serco had failed to perform the Services in accordance with the Agreement such that there was a breach that "has threatened, or continues to or will threaten, in any material way, the health and safety if any person". This comprised a Step-in Event under clause 28.11(b)(i) of the Agreement.
- 4 The matters relevant to the Crown's exercise of its Step-in Right included the incidents evidenced by the release of video footage showing seven separate incidents of organised fighting between prisoners, along with other infractions such as possession of contraband, and complaints by prisoners alleging violence and an unsafe environment.
- 5 Subsequently, the Department's level of comfort with Serco's management of MECF has reduced further. This assessment is based on information that came to light while the Department-appointed prison management team has been on-site. In response the Department has increased its presence on the site from approximately 20 staff in late July, to over 40 staff by early-August. The Chief Executive of the Department then issued a letter to the Chief Executive Officer of Serco Asia Pacific, invoking section 199H of the Corrections Act 2004.
- 6 The Department's use of the "Control of contract prison in emergency" power set out in section 199H is based on the Chief Executive's belief, on reasonable grounds, that:

- there exists 'an emergency affecting the safety or health of the prisoners...or the security of the prison,' as required by 199H(1)(a)
- and "that the contractor...is unwilling or unable to immediately deal with that emergency...to the satisfaction of the chief executive," as required by 199H(1)(b).

7 Under the Step-in Notice, the Step-in Period commenced on 27 July 2015 at 10am. The Crown expected the Step-in Period to last until 30 September 2015.

Extension of Step-in Period

- 8 Given the additional issues subsequently identified by the Department, we now expect that the Step-in period will continue until 30 November 2015.
- 9 The Department, on behalf of the Crown, will issue a Supplemental Step-in Notice under clause 28.2 (c) of the Agreement which will be given to Serco on 27 August 2015.

Recommendations

10 It is recommended that you:

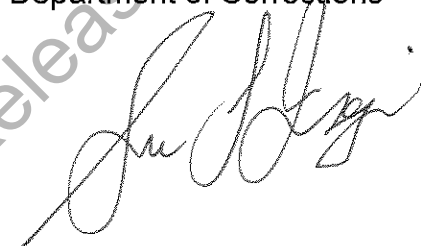
- a) **Note** that on 27 August 2015, the Department of Corrections will issue a Supplemental Step-in Notice to Serco New Zealand Limited.
- b) **Note** that this will extend the Step-in period from 30 September 2015 to 30 November 2015.

YES / NO

YES / NO



Christine Stevenson
Deputy Chief Executive
Department of Corrections



Hon Peseta Sam Lotu-liga
Minister of Corrections

Date signed:

27/08/15

7 September 2015

B2841

Minister of Corrections

Department of Corrections: Issuing Performance Notices to Serco New Zealand Ltd

Purpose

- 1 This briefing advises you that under the Mt Eden Corrections Facility (MECF) Prison Management Contract (the Contract) the Department of Corrections (the Department) is proposing to issue Performance Notices 56-64 to Serco New Zealand Limited (Serco).

Background

- 2 The Department and Serco entered into the Contract to manage MECF on 1 February 2011. The initial term of the Contract is six years with a single option to extend for a further four years. The Contract has a whole-of-life term of ten years. The Contract Year for MECF commences on 01 July and concludes on 30 June.

Performance Management Framework

- 3 The whole-of-life Contract value is approximately \$315 million or \$31.5 million per annum. The Contract fee comprises a Base Services Fee (BSF) and a Performance Related Fee (PRF) as set out below.

S 9(2)(b)(ii)

Key Performance Indicators

- 4 Each KPI has a 'performance standard', a 'target' and a 'weighting'. Serco's (weighted) performance against each KPI relative to the 'performance standard' and "target" determines the PRF earned. The 'performance standard' represents the minimum level of performance required to earn any PRF, with

the 'target' representing the level at which Serco earn 100 percent of the fee attributed to that KPI.

Specific Deductions

- 5 The Department can make Specific Deductions of \$25,000 to \$150,000 from the PRF for certain events. However, Specific Deductions may not cause the Performance-Related Fee to be less than zero in any year.

Performance Measures

- 6 Performance Measures represent the minimum required level of performance. Where Serco fails to meet one of these Performance Measures, the Department may issue a Performance Notice, resulting in a \$50,000 deduction against their PRF.

Performance Notices

- 7 A Performance Notice may be issued for any breach of the Contract, and an Unremedied Default Notice may be issued where a Performance Notice has not been rectified. Performance Notices may be related to:
 - failure to satisfy a Performance Measure
 - failure to meet KPIs
 - any other breaches of the Contract
 - breaches of legislation.
- 8 The Chief Executive's approval enables the Commercial Contracts Team to issue a Performance Notice to Serco immediately, in-line with Contractual obligations.
- 9 Serco may accept or dispute a Performance Notice by notifying the Department within five working days of receipt in line with clause 25.4 of the Contract.

Performance Notices to be issued to Serco

- 10 The Performance Notices identified in this briefing exclude those related to fight club videos or any breaches identified during the Inspector's review. Eight of the nine Performance Notices outlined in this briefing relate to the 2014/15 Contract Year, and a single Performance Notice relates to the 2015/16 Contract Year.
- 11 Additionally, the completion of the end of year audit for the 2014/15 Contract Year may result in the issue of further Performance Notices. The end of year audit for the 2014/15 Contract Year is an annual review of selected Performance Measures and Key Performance Indicators that provide assurance to the Department that Serco is accurately reporting on the services they provide at MECF.

- 12 A table outlining the Performance Notices that are shortly to be issued to Serco regarding their management of MECF date is attached as Appendix A.
- 13 A summary of Performance Notices awaiting approval or issued to date is attached as Appendix B.

Recommendation

14 It is recommended that you:

- a) **Note** that under the Mt Eden Corrections Facility Prison Management Contract the Department of Corrections is issuing Performance Notices 56-64 to Serco New Zealand Ltd.

YES / NO



Ray Smith
Chief Executive



Hon Peseta Sam Lotu-liga
Minister of Corrections

Date signed:
09/10/15

04 November 2015

B2875

Minister of Corrections

Performance Notices to be issued to Serco regarding video footage of organised fighting and prohibited substances at Mt Eden Corrections Facility

Purpose

- 1 The purpose of this briefing is to advise you of the recently drafted Performance Notices 65-74, which are due to be issued to Serco under the Mt Eden Corrections Facility (MECF) Prison Management Contract (the Contract).

Background

- 2 The Department of Corrections (the Department) and Serco New Zealand Limited (Serco) entered into the Contract to manage MECF on 1 February 2011. The initial term of the Contract is six years with a single option to extend for a further four years. The Contract has a whole-of-life term of ten years.
- 3 The whole-of-life Contract value is approximately \$315 million or \$31.5 million per annum. The Contract fee comprises a Base Services Fee (BSF) and a Performance Related Fee (PRF):

S 9(2)(b)(ii)

- 4 The Department can make Specific Deductions of \$25,000 to \$150,000 from the PRF for certain events. However, Specific Deductions may not cause the Performance-Related Fee to be less than zero in any year. All Specific Deductions correspond to an individual Performance Notice.
- 5 A Performance Notice may be issued for any breach of the Contract, and an Unremedied Default Notice may be issued where a Performance Notice has not been rectified. Performance Notices may be related to:
 - failure to satisfy a Performance Measure, which represents the minimum required level of performance

- any other breaches of the Contract
- breaches of legislation.

Performance Notices to be issued to Serco

- 6 The Department will shortly issue ten Performance Notices to Serco (Performance Notices 65-74) relating to video footage of prisoners engaging in organised fighting and consuming prohibited substances. Six of these Performance Notices relate to the 2014/15 Contract Year, and four to the 2015/16 Contract Year. The table at **Appendix A** provides further detail on each of these Performance Notices.
- 7 These Performance Notices are separate from the review of the Chief Inspector and any further breaches that may result from the findings of the Chief Inspector's review. Additionally, the completion of the end of year audit for the 2014/15 Contract Year may result in the issue of further Performance Notices.¹
- 8 A summary of Performance Notices awaiting approval or issued to date is attached at **Appendix B**.

Recommendations

- 9 It is recommended that you:
- a) **Note** the Department will issue Performance Notices 65-74 to Serco relating to video footage of organised fighting and consuming prohibited substances **YES / NO**
- b) **Note** that Performance Notices 65-75 are separate from the Chief Inspector's review into Mt Eden Corrections Facility the and end of year audit, which may result in additional Performance Notices being issued **YES / NO**

Ray Smith
Chief Executive

Hon Peseta Sam Lotu-liga
Minister of Corrections

Date signed:
11/11/15

¹ The end of year audit is an annual review of selected Performance Measures and Key Performance Indicators that provides assurance to the Department that Serco are accurately reporting on the delivery of services at MECF.

Appendix A: Performance Notices to be issued to Serco in respect of MECF as at 4 November 2015

Contract Year	Event	Occurrence Type	Notice #	Notice Name	Clause/Section Breached	Specific Deduction	Brief description of breach	Evidence to support breach
2014/15	Damage to Crown reputation	Breach of Contract	65	Damage to Crown reputation	Clause 8.1(b)	\$50,000	Between 16 June 2015 and 04 July 2015 six videos were uploaded to a file sharing website. The videos depicted what appears to be Prisoners at Mt Eden Corrections Facility participating in organised fighting On 18 July 2015 a video was released by a national news agency which shows Prisoners consuming what appears to alcohol and smoking drugs	The video(s) showed clear evidence that the Contractor had lost control of the multiple Prisoners involved in or observing organised fighting. The disturbance caused by Prisoners has had an external impact which included negative media and public perception of the Crown
2014/15	Loss of Control	Breach of Contract	66	Loss of Control - "TMC Knocked Out"	Schedule 2, Part B; Performance Measure 07	\$100,000	On 16 June 2015 a video titled "TMC KNOCKED OUT" was uploaded to a video sharing website The video depicted what appears to be Prisoners at Mt Eden Corrections Facility participating in organised fighting	The video showed clear evidence that the Contractor had lost control of the multiple Prisoners involved in or observing organised fighting. The disturbance caused by Prisoners has had an external impact which included negative media and public perception of the Crown
2014/15	Unauthorised Item (cell phone)	Breach of Contract	67	Unauthorised Item (cell phone) - "TMC Knocked Out"	Schedule 2, Part A, Service Outcome 2.2	\$50,000	Between 16 June 2015 and 04 July 2015 six videos were uploaded to a file sharing website. The footage was filmed inside Mt Eden Corrections Facility and appears to depict instances of organised fighting	The footage has been filmed inside Mt Eden Corrections Facility using a cell phone which is defined as an Unauthorised Item under section 3 of the Corrections Act 2004. At least one cell phone has been used to record instances of organised fighting at Mt Eden Corrections Facility. Consequently, only one Performance Notice has been presented with reference to Unauthorised Items (cell phone) at the site.
2014/15	Loss of Control	Breach of Contract	68	Loss of Control - "TMC Down Again"	Schedule 2, Part B; Performance Measure 07	\$100,000	On 16 June 2015 a video titled "TMC Down Again" was uploaded to a video sharing website The video depicted what appears to be Prisoners at Mt Eden Corrections Facility participating in organised fighting	The video showed clear evidence that the Contractor had lost control of the multiple Prisoners involved in or observing organised fighting. The disturbance caused by Prisoners has had an external impact which included negative media and public perception of the Crown
2014/15	Loss of Control	Breach of Contract	69	Loss of Control - "Jail Fights Serco"	Schedule 2, Part B; Performance Measure 07	\$100,000	On 16 June 2015 a video titled "Jail Fights Serco" was uploaded to a video sharing website The video depicted what appears to be Prisoners at Mt Eden Corrections Facility participating in organised fighting	The video showed clear evidence that the Contractor had lost control of the multiple Prisoners involved in or observing organised fighting. The disturbance caused by Prisoners has had an external impact which included negative media and public perception of the Crown
2014/15	Loss of Control	Breach of Contract	70	Loss of Control - "Jail Fights Simiyoyo"	Schedule 2, Part B; Performance Measure 07	\$100,000	On 30 June 2015 a video titled "Jail Fights Simiyoyo" was uploaded to a video sharing website The video depicted what appears to be Prisoners at Mt Eden Corrections Facility participating in organised fighting	The video showed clear evidence that the Contractor had lost control of the multiple Prisoners involved in or observing organised fighting. The disturbance caused by Prisoners has had an external impact which included negative media and public perception of the Crown
2015/16	Loss of Control	Breach of Contract	71	Loss of Control - "Black Prospect Rippa"	Schedule 2, Part B; Performance Measure 07	\$100,000	On 01 July 2015 a video titled "Black Prospect Rippa" was uploaded to a video sharing website The video depicted what appears to be Prisoners at Mt Eden Corrections Facility participating in organised fighting	The video showed clear evidence that the Contractor had lost control of the multiple Prisoners involved in or observing organised fighting. The disturbance caused by Prisoners has had an external impact which included negative media and public perception of the Crown
2015/16	Loss of Control	Breach of Contract	72	Loss of Control - "Nathan Kaukau KO Cripsta"	Schedule 2, Part B; Performance Measure 07	\$100,000	On 04 July 2015 a video titled "Nathan Kaukau KO Cripsta" was uploaded to a video sharing website The video depicted what appears to be Prisoners at Mt Eden Corrections Facility participating in organised fighting	The video showed clear evidence that the Contractor had lost control of the multiple Prisoners involved in or observing organised fighting. The disturbance caused by Prisoners has had an external impact which included negative media and public perception of the Crown
2015/16	Loss of Control	Breach of Contract	73	Loss of Control - 3 News Footage	Schedule 2, Part B; Performance Measure 07	\$100,000	On 18 July 2015 a national news agency released cell phone footage taken by a Prisoner at MECF. The video appears to depict prisoners using a lost staff radio, drinking and smoking drugs	The video showed clear evidence that the disturbance caused by Prisoners resulting from using the lost staff radio, drinking and smoking drugs has had an external impact which included negative media and public perception of the Crown
2015/16	Prevent Use of Alcohol & Drugs	Breach of Contract	74	Prevent Use of Alcohol & Drugs	Schedule 2, Part A, Service Outcome 2.3	\$50,000	On 18 July 2015 a national news agency released cell phone footage taken by a Prisoner at MECF. The video appears to depict prisoners using a lost staff radio, drinking and smoking drugs	The video depicts Prisoners appearing to be smoking drugs and consuming alcohol. Additionally, a "homebrew bag" and bucket are clearly visible.
Total						\$850,000		

Released under the Official Information Act 1982

Appendix B

Mt Eden Corrections Facility Performance Notice Summary 2011-2016

Notices Issued	Year 1 2011-2012	Year 2 2012-2013	Year 3 2013-2014	Year 4 2014-2015	Year 5 2015-2016	TOTAL UPHELD
Incident Notification System	Upheld \$100,000	Upheld \$50,000	Upheld \$50,000	Upheld \$50,000		\$250,000
SACRA	Issued \$100,000 Upheld \$50,000	Upheld \$0	Upheld \$0	Upheld \$0		\$50,000
Mixing Accused with Others	Upheld \$0	Upheld \$100,000	Upheld \$100,000	Upheld \$100,000		\$300,000
Charge Notification	Upheld \$100,000	Issued \$100,000 Upheld \$0		Upheld \$0		\$100,000
Prisoner Escape	Upheld \$150,000					\$150,000
Escape Under Escort	Upheld \$150,000					\$150,000
Wrongful Releases	3x Upheld \$75,000		Upheld \$25,000			\$100,000
Reporting to Timeframes	Upheld \$50,000					\$50,000
Sentenced Prisoner Plans	Upheld \$50,000					\$50,000
Review of Prisoner Plans	Upheld \$50,000					\$50,000
Initial Health Screen		Upheld \$0	Upheld \$0	Upheld \$0		\$0
Entry of NZQA Credits		Issued \$50,000 Upheld \$0				\$0
Crown Records			3x Issued \$100,000 Upheld \$0			\$0
Wrongful Detentions			Issued \$25,000 Upheld \$0	Upheld \$25,000		\$25,000
Sufficient Staffing Levels				Upheld \$50,000		\$50,000
Death in Custody				Issued \$150,000	Issued \$150,000	\$0
Minimum Entitlements - One Hour Exercise				Upheld \$100,000		\$100,000
CE Instruction - Safety Razor Policy				Issued \$100,000 Upheld \$0		\$0
Prisoner Training NZQA Credits				Issued \$50,000		\$0
Ensure Safe Custody and Welfare				1x Issued, 1x Upheld \$200,000		\$100,000
Rate of Serious Assaults				Issued \$50,000		\$0
Reporting Obligations - Property Damage				Issued \$50,000		\$0
Site Cleanliness				Issued \$50,000		\$0
Temporary Removal of a Prisoner				Upheld \$100,000		\$100,000
Directed Segregation				Issued \$100,000		\$0
Segregation for Protective Custody				Issued \$100,000		\$0
Prisoner Health Needs				Issued \$50,000		\$0
Mixing Segregated with Mainstream				Issued \$100,000		\$0
Damage to Crown Reputation				Issued \$50,000		\$0
Loss of Control				4x Issued \$400,000	3x Issued \$300,000	\$0
Unauthorised Items (Cell Phone)				Issued \$50,000		\$0
Prevent Use of Alcohol & Drugs					Issued \$50,000	\$0
Total	Upheld \$775,000	Upheld \$150,000	Upheld \$175,000	Upheld \$525,000 Issued \$1,300,000	Issued \$500,000	\$1,625,000

* The Department also issued DN033 confirming that Serco have not achieved the required level for the rate of serious assaults Key Performance Indicator (KPI) in the period 01 July 2014 – 30 June 2015 leading to the loss of the available \$315,043.80 PRF