



Government of **Western Australia**
Department of **Justice**
Corrective Services

Annual Report 2023/2024

Acacia Prison Services Agreement 2020

Document status:	Approved
Date:	9 September 2024
Division:	Corrective Services
Approved by:	Joanne Stampalia A/Director General Department of Justice
Content Manager reference:	D24/750860

Contents

1	Contract Background and History	3
2	Contract Management.....	3
2.1	Overview	3
2.2	Operational Compliance.....	3
2.3	Performance Measures	4
2.4	Corrective Measures	4
3	Prisoner Disturbance.....	4
3.1	Incident Summary	4
3.2	Incident Recovery Plan	4
4	2023/24 Key Issues.....	5
4.1	Individual Management Plans (IMPs) – Treatment Assessment.....	5
4.2	Offender Programs	5
4.3	Remand Prisoners Placement.....	6
4.4	Placement of Young Offenders	6
4.5	COVID 19 Impacts	6
5	Prison Population	6
6	Contractual Performance	7
6.1	Performance Measures and Performance Linked Fee (PLF)	7
6.2	Corrective Measures Applied	8
6.2.1	Performance Improvement Notice (PIN).....	8
6.2.2	Abatement Amounts	8
6.2.3	Default Notices	8
6.3	Dispute	8
7	External Oversight.....	8
7.1	Office of Inspector of Custodial Services (OICS) Inspection.....	9
7.2	Independent Visitors Service (IVS)	9
7.3	Deaths in Custody	9
8	Contract Payments to Serco	9

1 Contract Background and History

Acacia Prison (Acacia) is a privately operated medium security facility located in Wooroloo, approximately 55km east of Perth. Acacia opened in 2001, the land and buildings constituting Acacia are publicly owned.

The Acacia Prison Services Agreement 2020 (the Agreement), between the Director General of the Department of Justice (the Department), on behalf of the State of Western Australia (the State) and Serco Australia Pty Ltd (Serco), commenced on 16 May 2021. The Agreement was awarded as a five-year contract with two extension options of up to five years each.

Under the Agreement, Serco are responsible for both the operational and maintenance services at Acacia.

The Agreement specifies the range of services that Serco is required to deliver which covers all facets of prison operations. The Department monitors Serco's performance against contractual requirements through performance measures, compliance reviews including external audits, stakeholder feedback and other oversight mechanisms.

2 Contract Management

2.1 Overview

The Agreement is overseen and monitored by the Operational Contract Management branch within the Operational Support directorate of Corrective Services.

Contractual performance and service delivery is assessed and managed through monthly meetings attended by the contract manager, the contractor representative/superintendent together with departmental and Serco representatives. This includes reviewing performance measures, performance improvement notices (PINs), specified events and other contract management oversight mechanisms. It also provides a forum to discuss operational matters impacting Acacia.

Contractual performance and service delivery is also overseen by the Joint Management Board. The Joint Management Board meetings, chaired by the Commissioner for Corrective Services, are attended by Serco executive representatives and other senior staff from the Department and Serco. The contract manager reports on Serco's performance at this meeting, held quarterly, which is also used to provide direction and advice on strategic and policy issues affecting the provision of services under the Agreement.

2.2 Operational Compliance

The Department operates a team of on-site operational compliance officers through its operational compliance branch, who conduct compliance checks to ensure service delivery requirements are met.

Feedback from the operational compliance officers assists in assessing compliance and performance, in addition to ensuring continuous improvement by Serco. During the 2023/24 Operation Year (the Operation Year), compliance officers attended Acacia on 92 days to conduct compliance checks.

2.3 Performance Measures

The Agreement provides for a suite of eighteen (18) performance measures including two (2) health services and three (3) facility services measures.

Five percent of the monthly operation payments due to Serco are withheld to allow for the payment of the performance measures (see page 9 *Contract Payments and Associated Financial Information*).

2.4 Corrective Measures

In addition to the payment incentives described above, the Agreement provides for contractual sanctions that would be applied in the event of non-compliance with service delivery requirements. These corrective measures are comprised of the following:

- Performance Improvement Notice (PIN): a written notice by the State requiring Serco to improve performance in the delivery of the Contractor Services.
- Abatement Amount: an amount required to be paid by Serco as a result of a specified event occurring as listed in Schedule 4 of the Agreement.
- Default Notice: a notice given by either party for any breach or default by the contractor of the contractor's obligations.

3 Prisoner Disturbance

3.1 Incident Summary

During the previous Operation Year (2022/23), there was a major prisoner disturbance at Acacia on 27 February 2022 which resulted in prisoners setting fire to Kilo and Romeo blocks, resulting in significant damage to Acacia's infrastructure.

Due to the extensive infrastructure damage, Kilo block was no longer being used to accommodate prisoners, which resulted in 219 Kilo beds taken offline. Acacia had its operational capacity reduced from 1525 to 1306.

On 11 January 2023, a fire occurred in the Hotel block industries workshop at Acacia causing significant damage to the building. The Department of Fire and Emergency Services concluded the fire was caused by an electrical fault within a washing machine.

Furthermore, a prisoner disturbance on 30 January 2023 resulted in prisoners causing damage to several cells in Mike block. All repairs were completed by Serco.

3.2 Incident Recovery Plan

Following the prisoner disturbance on 27 February 2022 and the Hotel block incident on 11 January 2023, the Department lodged an insurance claim with the State's insurer, RiskCover, for damage rectification.

The current estimated damage rectification project cost for the full works, Kilo, Romeo and Hotel blocks, is approximately \$56 million (excl GST), those costs being borne by RiskCover under the State's insurance policy. Rectification works will be covered on a like-for-like replacement. This includes essential upgrades to ensure compliance with relevant building standards. The State will consider cost recovery from Serco following a review of contractual liability. The damage rectification project is managed by the Department of Finance.

Following a procurement process, ADCO Construction was selected as a preferred contractor by Risk Cover to address the damage rectification. Work remains ongoing onsite.

Rectification works for Kilo, Romeo and Hotel blocks will be completed concurrently and the current estimated practical completion date for all rectification works is June 2025.

Due to the current population pressure across the prison estate, the Commissioner of Corrective Services asked Serco to explore opportunities to assist in expediting the completion timeframes. The current practical completion date for the remainder of Kilo block beds is March 2025.

Construction progress and design meetings are currently being held fortnightly onsite, with additional meetings scheduled as required.

The following milestones have been completed in the rectification works:

- Roadworks to widen and lengthen the access side road to the rear of hotel to victor blocks have been completed.
- Hotel and Romeo block access roads have been completed.
- The internal fence works for Hotel and India blocks have been completed.
- Hotel block has been fully demolished, padding in place and construction work has commenced.
- The temporary sally port has been completed and is fully functional.

4 2023/24 Key Issues

4.1 Individual Management Plans (IMPs) – Treatment Assessment

The Department has been experiencing a steady increase in the backlog of treatment assessments across the prison estate. In accordance with Department policies, a treatment assessment can be required to assess criminogenic program requirements. The treatment assessment backlog has impacted offender program delivery at Acacia. The Department is working to address this and with increased assessments carried out across the metropolitan area.

4.2 Offender Programs

In accordance with the Agreement, Serco is required to deliver a minimum of 6000 criminogenic program hours conducted in groups each calendar year. For the 2023 calendar year, the Department determined that the undelivered programs be deferred to the 2024 calendar year. Any offender programs cancelled, due to Serco's inability to deliver, are deferred to the following calendar year. To date, in the 2024 calendar year, no offender program was cancelled due to Serco's failure to deliver.

4.3 Remand Prisoners Placement

To assist with population management, the Department reached an agreement with Serco for the installation of an additional 35 beds in the protection precincts at Acacia. In June 2023, approval to place remand prisoners at Acacia was provided and the remand prisoner placement commenced in July 2023. This has provided additional bed space for remand prisoners at other public facilities, increasing Acacia's capacity from 1306 beds following the Kilo block damage to 1341 beds.

4.4 Placement of Young Offenders

Amendments to the *Young Offenders Act 1994* to allow the transfer of youth detainees reaching 18 years of age from juvenile detention to adult facilities came into effect on 27 June 2023.

A Youth Detention Centre Commissioner's Operating Policy and Procedure, Detainee Transfer to Adult Prison, was approved by the Commissioner on 3 July 2023 and became effective on 6 July 2023. This resulted in the transfer of young offenders to Acacia.

4.5 COVID 19 Impacts

During the Operation Year, there continued to be minor impacts from COVID-19, affecting staffing levels and prisoner illness. Acacia continued to manage this with appropriate contingencies in place with no operational impacts from high risk of infections reported.

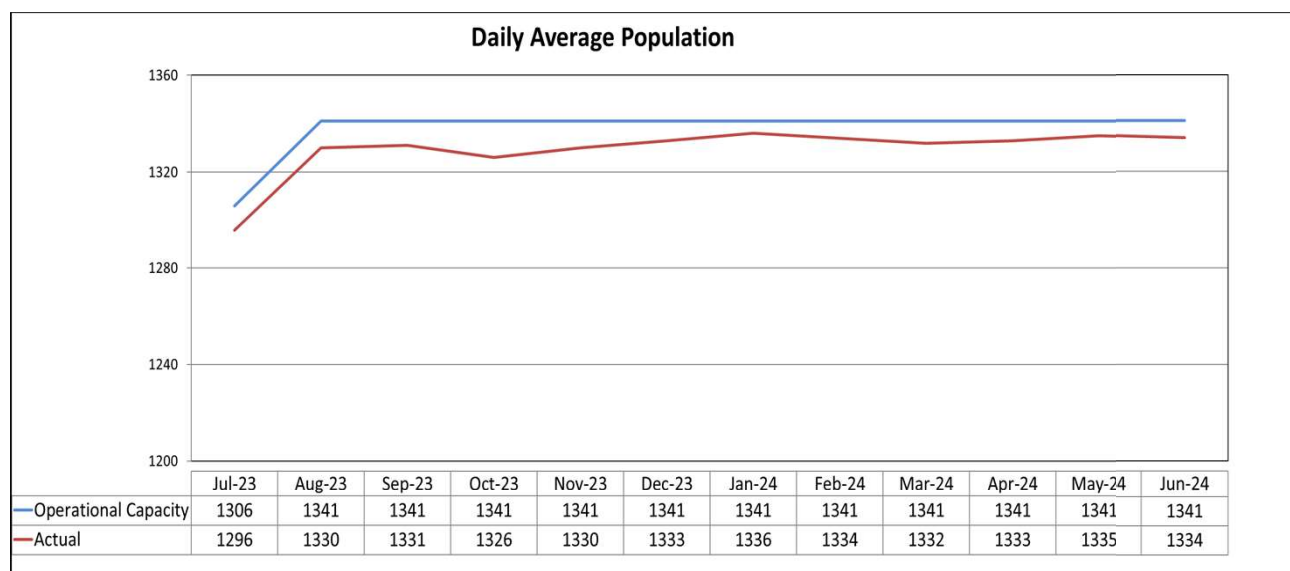
5 Prison Population

During the Operation Year, Acacia had an operational capacity of 1341 beds which is below the maximum capacity of 1525 beds due to the kilo block fire incident. This included 388 general purpose beds, 362 self-care beds, 338 protection beds, 220 young adult beds and 33 assisted care beds.

To fully optimise the utilisation of beds across Western Australia, and to ensure maximum value for money from the Agreement, Acacia needs to be operating as closely as possible to its operational capacity. Due to population pressure increases across the prison estate, 35 additional beds were added in the two protection units at Acacia. This increased the current capacity from 1306 to 1341 which will be reviewed when the beds that are currently offline, are returned to service as the damage rectification project progresses.

Due to continued population pressure across the State, following the 35 additional beds in the protection unit, the Department agreed with Serco in June 2024 that a further 30 additional beds will be installed. This installation has commenced and will increase the total capacity from 1341 to 1371.

The below graph shows the Daily Average Population (DAP) at Acacia over the course of the Operation Year. The Department continues to work with Serco to ensure actual utilisation of Acacia remains aligned as closely as possible to operational capacity.



6 Contractual Performance

6.1 Performance Measures and Performance Linked Fee (PLF)

The Operational Contract Management branch reviews contractual performance monthly over the Operation Year.

During the Operation Year, Serco achieved full payment for nine of the eighteen performance measures and a partial payment for the remaining nine. This results in a percentage achievement of 89.84% which equates to approximately \$3,965,267.84 of the total available PLF \$4,413,527.08 to be paid to Serco (see *9 Contract Payments and Associated Financial Information*) compared to 88.58% in the previous Operation Year.

Compared to the previous Operation Year, improvements were made in a number of performance measures. There was an increase in the accurate completion of incident reports from 87% to 91.7%. Performance in the occurrence of serious self-harm also improved with a reduction from eight (8) to six (6). Engagement in the substance use support and treatment plans also improved compared to the last Operation Year. The management of prisoners on At-Risk Management System (ARMS) also improved from 96% to 98% compliance rate.

There was a decrease in performance relating to serious assault which saw an increase from six to 13 instances. All other performance measure achievements were steady when compared to the previous Operation Year.

The results of Serco's performance against each performance measure for the Operation Year are shown in the Performance Measure Dashboard at *Attachment A*.

6.2 Corrective Measures Applied

Where service delivery is determined not to meet contractual requirements, the Agreement provides for several contractual mechanisms that may be applied (See 3.4 *Corrective Measures*). The following corrective measures were applied during the Operation Year

6.2.1 Performance Improvement Notice (PIN)

During the Operation Year, there were two PINs issued.

In September 2023, a PIN was issued to Serco relating to the management, control, security and supervision of prisoners and incident notification requirements. The failure related to a fight incident occurring in the unit and observed by several prisoners without timely intervention by staff. Serco also failed to immediately notify the Corrective Services Operations Centre of the incident in accordance with Department policy.

In February 2024, a further PIN was issued to Serco relating to the management and accountability of security equipment. The failures related to staff removing security equipment from the Acacia site.

6.2.2 Abatement Amounts

During the Operation Year, there was one abatement issued to Serco with a total amount of \$21,548, as indicated below:

Issue date	Reason for abatement	Amount
20 May 2024	Failure to Comply with a PIN – Management and Accountability of Security Equipment	\$21,548

6.2.3 Default Notices

During the Operation Year there were no default notices issued.

6.3 Dispute

Serco issued a dispute notice to the State on 11 June 2024 regarding Prisoner Escort Payments under the Agreement. Negotiations are ongoing with Serco in accordance with the dispute resolution process under the Agreement.

7 External Oversight

Serco's operations at Acacia are subject to a range of reviews by external bodies. During the Operation Year, reviews and final response to reviews included:

7.1 Office of Inspector of Custodial Services (OICS) Inspection

OICS last carried out an inspection of Acacia between 10 November 2021 and 19 November 2021. The report was tabled on 3 November 2022 and OICS made 12 recommendations with eight of those supported by the Department for action. All recommendations were actioned and closed by July 2023. The next announced inspection of Acacia is due to be conducted in September 2024.

7.2 Independent Visitors Service (IVS)

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

During the Operation Year, the IVS undertook 12 visits at Acacia. Issues raised by prisoners included gratuities, property, food, medical, sentence management, telephone and mail communication, legal aid, recreation, visits, maintenance, and prison transfer. Each complaint was responded to by Serco with oversight by the Department.

7.3 Deaths in Custody

During the Operation Year, there was one death in custody. While an initial assessment indicates the death was due to natural causes, it was reportable under the *Coroner's Act 1996 (WA)* and is currently awaiting inquest.

8 Contract Payments to Serco

The total annual contract value for the Operation Year was estimated at \$89.4 million.

Factors influencing the contract value included:

- a sustained reduced daily average population caused by a significant incident in February 2022 that reduced the physical accommodation of the prison and bed capacity from 1525 to 1341, followed by the installation of an additional 35 beds in protection, and;
- Schedule 11 Works. Schedule 11 is a list of identified minor works to be performed by either the contractor or the State in accordance with the Agreement.

The costs paid to Serco for services associated with the Agreement for the Operation Year are (rounded to the nearest dollar):

Operation Year payments (excl. GST)	2023/2024
Monthly Services Payments (excluding 5% PLF withholding)	\$84,905,730
Performance Linked Fee (PLF) estimates	\$3,965,267
Schedule 11 Works	\$537,069
Total:	\$ 89,408,066

8.1 Prisoner Welfare Trust Fund (PWTF)

Serco operates a canteen service which offers snacks, confectionary, non-alcoholic drinks, toiletries, magazines, books, stationery, and any other items as specified to prisoners. Under the Agreement, Serco is required to make payment into the Prisoner Welfare Trust Fund an amount equal to two per cent (2%) of Gross Canteen Sales in respect of the previous month.

Expenditure from this fund is approved by the Department where submissions from Serco demonstrate that the funds will be used for the welfare of prisoners at Acacia.

The balance of the PWTF account on 1 July 2024 was \$260,876.23. Payments made to the PWTF for the Operation Year totalled \$80,234.67.

8.2 Prison Industries

Serco engages with external agencies and contractors to assist in providing training in industries that allow prisoners to develop trade-related and employment-specific skills. These include metal workshops, woodwork shops and leather work producing a wide variety of items. Prison industries were impacted during the year due to the loss of Romeo and Hotel Blocks, which has reduced opportunities for training in industries available to prisoners.

Attachments:

Attachment A – Performance Measure Dashboard 2023/2024.

Annual Report 2023/2024
Acacia Prison Services Agreement 2020

ACACIA PRISON SERVICES AGREEMENT - 2023/24 DASHBOARD																	
Performance Measures		2023/24 Quarter 1				2023/24 Quarter 2				2023/24 Quarter 3				2023/24 Quarter 4			2023/24 YTD
		Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24				
1	Serious Assaults	1	1	1	0	1	0	1	0	3	1	3	1	13 (1)			
2	Serious Self-Harm / Attempted Suicide	0	0	1	0	0	1	0	0	0	3	1	0	6			
3	ARMS	95%	100%	97.5%	100%	93.9%	100%	97.9%	100%	100%	97.9%	95.9%	100%	98.2%			
4	Random Urine Tests	1.5%	0%	3%	0%	3%	1.5%	4.5%	3%	1.5%	6.1%	1.5%	1.5%	2.3%			
5	Sentence Management	100%	100%	100%	97.2%	100%	100%	100%	100%	100%	100%	100%	100%	99.8%			
6	Education, Training & Employment	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%			
7	Clinical Programs - Delivery	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	100%			
8	Clinical Programs - Treatment Reports	N/A	N/A	100%	N/A	N/A	97.8%	N/A	N/A	100%	N/A	N/A	100%	99.5%			
9	Substance Use Support & Treatment Plan	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%			
10	Substance Use Support & Treatment Plan	N/A	N/A	100%	N/A	N/A	80%	N/A	N/A	55.6%	N/A	N/A	87.5%	80.8%			
11	Adult Basic Education	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	100%			
12	Individual Operational Readiness	N/A	N/A	96.2%	N/A	N/A	92.3%	N/A	N/A	100%	N/A	N/A	90%	94.6%			
13	Incident Reporting	96%	90%	86%	92%	92%	90%	90%	94%	98%	88%	94%	90%	91.7%			
14	Medical Records Assessments	95.7%	98.4%	98.6%	98.2%	98.4%	98.4%	100%	97.7%	98.6%	95.8%	98.4%	98.6%	98.1%			
15	Annual Health Reviews	100%	100%	100%	100%	100%	99%	100%	100%	100%	100%	100%	100%	99.9%			
16	Failure Completion Time - priority 0 & 1	100%	100%	100%	100%	94.6%	96.3%	84.8%	82.6%	85.7%	100.0%	100%	100%	95.3%			
17	Failure Completion Time - priority 2 & 3	100%	95.1%	96.8%	90.8%	92.4%	94.9%	88%	95.4%	95.8%	87.9%	91.9%	92.5%	93.5%			
18	Preventative Maintenance	N/A	N/A	90.3%	N/A	N/A	87%	N/A	N/A	92.6%	N/A	N/A	93.3%	90.8%			
Specified Events																	
A	Escape	0	0	0	0	0	0	0	0	0	0	0	0	0			
B	Loss of Control	0	0	0	0	0	0	0	0	0	0	0	0	0			
C	Death in Custody (Unnatural Causes)	0	0	0	0	0	0	0	0	0	0	0	0	0			
D	Unlawful release of prisoner	0	0	0	0	0	0	0	0	0	0	0	0	0			
E	Unlawful detention of prisoner	0	0	0	0	0	0	0	0	0	0	0	0	0			
F	Failure to Provide Information	0	0	0	0	0	0	0	0	0	0	0	0	0			
G	Failure to Comply with a PIN	0	0	0	0	0	0	0	0	0	0	1	0	1			
Performance Improvement Notice (PIN)																	
	Performance Improvement Notice	0	0	1	0	0	0	0	1	0	0	0	0	2			