



Annual Report 2024/25

Acacia Prison Services Agreement 2020

Document status:	Final unapproved
Date:	September 2025
Division:	Corrective Services
Approved by:	Kylie Maj Director General Department of Justice
Content Manager reference:	D25/765524

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	Damage Rectification	4
3.1	Incident Summary	4
3.2	Damage rectification	4
4	2024/25 Key Matters	5
4.1	Contract Variation	5
4.2	Aboriginal Support Services	5
4.3	Offender Programs.....	6
5	Prison Population	6
6	Contractual Performance	7
6.1	Performance Measures and Performance Linked Fee (PLF)	7
6.2	Corrective Measures Applied	7
6.2.1	Performance Improvement Notice (PIN).....	7
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	8
7.2	Independent Visitors Service (IVS)	8
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 the management of both operational and maintenance services of the prison.

The Agreement specifies the range of services that Serco is required to deliver which covers all aspects 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 administered and monitored by the Operational Contract Management (OCM) branch within the Corrective Services division.

Contractual performance and service delivery is assessed and managed through monthly meetings, with 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 of Corrective Services, are attended by Serco Executive Representative 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 2024/25 Operation Year (the Operation Year), compliance officers attended Acacia on 69 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.

5% 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 several contractual sanctions that would be applied in the event of non-compliance with service delivery requirements. These corrective measures comprise of the following:

- Performance Improvement Notice (PIN): A written notice by the State requiring Serco to improve performance of the Contractor Services.
- Abatement Amount: An amount required to be paid as a result of a Specified Event 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 Damage Rectification

3.1 Incident Summary

During the Operation Year 2021/2022, a major prisoner disturbance occurred on 27 February 2022 at Acacia which resulted in prisoners setting fire to Kilo which rendered in 219 Kilo beds taken offline and Romeo Blocks, causing significant damage to Acacia's infrastructure with

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.

3.2 Damage rectification

The Department lodged an insurance claim with the State's insurer, RiskCover, for damage rectification of Kilo, Romeo and Hotel blocks with works having commenced late 2023. Practical completion of Kilo Block reached in December 2024 and beds filled. Romeo and Hotel Blocks practical completion being reached early June 2025. The rectification works covered a like-for-like replacement, including required upgrades to meet compliance with relevant building standards.

Rectification works for Kilo, Romeo and Hotel Blocks were completed concurrently, with Kilo block reaching practical completion in December 2024 when and fully occupied. Romeo and Hotel block were completed in June 2025, therefore concluding the damage rectification project.

The project cost of the Damage Rectification for the full works in Kilo, Romeo and Hotel Blocks, are being borne by RiskCover under the State's insurance policy.

4 2024/25 Key Matters

4.1 Contract Variation

During rectification damage works, to assist with population pressures an additional 65 beds were installed at Acacia. Following the completion of the Damage Rectification works and Kilo Block beds becoming online, a Contract Variation with Serco was required to address daily average population (DAP) increase.

The Department issued a Variation Notice to Serco, giving notice that it required Serco to expand its volume of services through the addition of 65 beds at Acacia. The Variation Notice noted filling of these beds would increase Acacia's prisoner numbers beyond the numbers contemplated in the Agreement.

In consideration of the associated operational risks, on 19 March 2025, the Department issued a direction to Serco to fill Acacia above its contractual DAP of 1525. A further emergency agreement was reached to provide capacity for an additional 10 prisoners bringing Acacia's DAP to 1600.

State entered into a Contract Variation and Agreement with Serco for the new Daily Average Population band of 1600. The Deed of Variation was signed on 1 August 2025 and is annexed to this report.

4.2 Aboriginal Support Services

During the Operation Year 2024/2025, Acacia increased the provision of Aboriginal support services to Aboriginal prisoners to complement the existing peer support and wellbeing services. This has been successful at Acacia and consequently, some public prisons have called on Acacia staff to provide similar services to their prisoners.

4.3 Offender Programs

In accordance with the Agreement, Serco is required to deliver a minimum of 6000 criminogenic program hours for programs conducted in groups each calendar year. For the 2024 calendar year, the Department reviewed the delivery of programs with delivery issues related mainly to the departmental Treatment Assessment backlog which leads to the inability to fill the programs due to lack of participants.

In 2025 calendar year, the Department continues to oversee the delivery of offender program and any failure to deliver by Serco are revised and will be determined to be deferred to the following calendar year. The Department is closely working with Serco to address offender programs delays due to the backlog of Treatment Assessments (TA) by offering non mandatory rehabilitation program opportunities and providing access to departmental staff onsite to address TA.

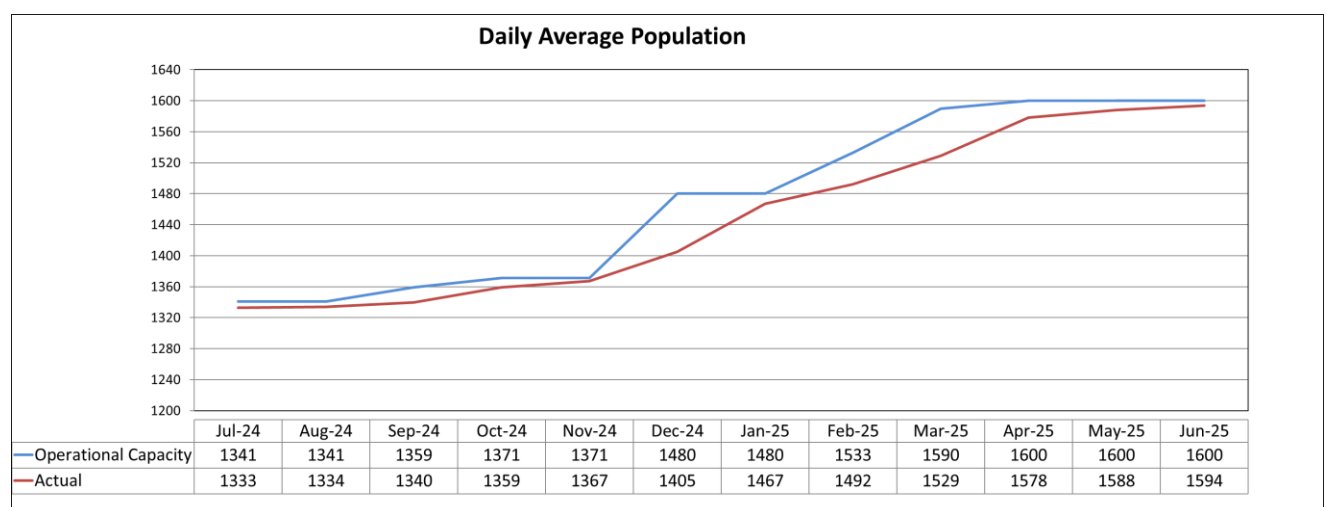
5 Prison Population

During the first half of the Operation Year, Acacia had an operational capacity of 1341 beds which gradually increased to a full capacity of 1600 in the second half of the Operation Year following practical completion of Kilo block in December 2025. This included 611 general purpose beds, 385 self-care beds, 338 protection beds, 233 young adult beds and 33 assisted care beds.

The completion of 219 Kilo block beds that were offline, 65 beds installed during rectification and agreement on additional 10 prisoners placements, resulted in an DAP increase to 1600 which is above the agreed capacity of 1525 beds in the Agreement Resulting in the a Contract Variation executed on 1 August 2025.

To fully optimise the utilisation of beds across Western Australia, and to ensure maximum value for money from the Agreement, the Department seeks to operate Acacia as near as possible to its operational capacity.

The below graph shows the Daily Average Population (DAP) at Acacia over the course of the Operation Year.



6 Contractual Performance

6.1 Performance Measures and Performance Linked Fee (PLF)

The OCM branch reviews contractual performance monthly over the Operation Year.

During the Operation Year, Serco achieved full payment for ten (10) of the eighteen (18) Performance Measures and a partial payment for the remaining eight. This results in a percentage achievement of 81.30% which equates to approximately \$3,933,076 of the total available PLF \$4,837,656 to be paid to Serco (see *9 Contract Payments and Associated Financial Information*) compared to 89.84% in the previous Operation Year.

Compared to the previous Operation Year, several Performance Measures showed notable improvement. Medical records assessment demonstrated enhanced accuracy. Completion rates for high-priority failures and preventative maintenance also increased. Additionally, custodial officers more consistently met their individual operational readiness benchmarks, fulfilling minimum training requirements.

However, performance in the management of prisoners on At-Risk Management System (ARMS) has a minor decreased compared to previous Operation Year with Serco failing to meet the PLF for two months. The Performance related to accurate completion of incident report in accordance with departmental policies and procedures had partial achievement similarly to previous years, with Serco achieving partial payment for 11 out of 12 months.

There was a decrease in performance relating to serious self-harms, which saw an increase from 6 to 12. Performance in serious assaults was noted high at 11 for the Operation Year which also equates to 50% PLF payment. The increase of incidents related to both performance measures are linked with population pressure, additional double bunking and associated risks and operational matters to the cohort. All other Performance Measure achievements were steady when compared to the previous Operation Year.

The result of Serco's performance against each Performance Measure for the Operation Year is shown in the attached 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 provisions 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 was one PIN issued.

In October 2024, a PIN was issued to Serco relating to minimum staffing requirements at Acacia Prison. Serco is required to report on the actual numbers of Custodial Officers and Unit Managers for each day shift and night shift during the relevant Operation Month against the numbers of custodial officers and unit managers required to attend day and night shifts in accordance with the Minimum Staffing Requirements.

The PIN was issued related to Serco failing to meet the minimum staffing requirements in relation to weekdays day shift, for the months of March, April, May, June and August 2024.

6.2.2 Abatement Amounts

During the Operation Year, there was one abatement issued to Serco for the death in custody of a prisoner appearing to be as a result of unnatural causes. The death will be investigated and reviewed by the Coroner's Court of Western Australia. The Abatement Notice amount is as indicated below:

Issue date	Reason for abatement	Amount
11/11/2024	Death in Custody	\$278,425

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, seeking approximately \$3 million (exc. GST) for prisoner escorts they claim have not been paid for by the State.

A Dispute Mediation is ongoing with Serco in accordance with the Dispute resolution process under the Agreement, with the first mediation meeting held in March 2025. The State Solicitor's Office (SSO) is representing the State in relation to this dispute, with Dispute yet to be finalised.

7 External Oversight

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

7.1 Office of Inspector of Custodial Services (OICS) Inspection

The OICS conducted an inspection of Acacia Prison during the Operation Year between 14 and 23 October 2024. A draft copy of the report was provided to the Department on 31 March 2025. The final report was tabled in Parliament on 12 August 2025 and made nine recommendations with seven of those supported.

These recommendations are currently being addressed by Corrective Services and Serco, with action plans in place to address the recommendations.

7.2 Independent Visitors Service (IVS)

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

During the Operation Year, the IVS undertook 11 visits at Acacia. Issues raised by prisoners included employment, property, food, health and mental health, treatment assessment, Individual Management Plans, telephone and mail communication, legal aid, recreation, visits, maintenance, security classification and prison transfer. Each complaint was responded to by Serco and responses were overseen by the Department.

7.3 Deaths in Custody

During the Operation Year, there was one death in custody. This is thought to be due to unnatural causes and was reportable under the *Coroner's Act 1996 (WA)* and is currently awaiting Coroner's inquest.

8 Contract Payments to Serco

The costs paid to Serco for services associated with the Agreement for the Operation Year was approximately \$98.1million.

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 1371, following installation of 65 beds.
- The Daily Average Population rose to 1600 following completion of Kilo block late December 2024 and State direction to fill above the contract cap in March 2025;
- Approved maintenance works waiting on certificate completion prior invoice and payment to Serco. This will be noted in the next financial year.
- 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 cost table below is rounded to the nearest dollar:

Operation Year payments (excl. GST)	2024/2025
Monthly Services Payments (excluding 5% PLF withholding)	\$ 93,048,005
Performance Linked Fee (PLF) estimates	\$ 3,933,076
Schedule 11 Works	\$ 1,108,554
Grand Total:	\$ 98,089,635

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 percent (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.

Balance of the PWTF account on 1 July 2025 totalled \$349,103.38. Payments made to the PWTF for the Operation Year totalled \$89,589.01.

8.2 Prison Industries

Serco engages with external agencies and contractors to assist in the provision of training under industries which allows prisoners to undergo and complete trade-related and employment-specific skills.

These include metal workshops, woodwork shops and leather work producing a wide variety of items. However, prison industries continued to be impacted during the financial year due to the loss of Romeo and Hotel Blocks, which has minimised the industries availabilities to prisoners.

Attachments:

Attachment A – Performance Measure Dashboard 2024/2025.

ACACIA PRISON SERVICES AGREEMENT - 2024/25 - DASHBOARD														
Performance Measures														
		2023/24 Quarter 1			2024/25 Quarter 2			2024/25 Quarter 3			2024/25 Quarter 4			2024/25 YTD
		Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	
1	Serious Assaults	<9	0	0	0	0	1	3	2	0	1	1	3	11
2	Serious Self-Harm / Attempted Suicide	<9	1	0	3	1	1	1	0	1	1	1	1	12
3	ARMS	≥97%	94.1%	98%	98%	94%	95.4%	89.6%	97.9%	100%	100%	88.9%	96%	95.5%
4	Random Urine Tests	≤3%	0%	0%	1.5%	4.5%	5.8%	1.5%	6.8%	2.7%	4%	0%	7.6%	3.0%
5	Sentence Management	≥97%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100.0%
6	Education, Training & Employment	≥95%	100%	100%	100%	100%	96.4%	99%	100%	97.8%	100%	100%	100%	99.4%
7	Clinical Programs - Delivery	≥95%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100.0%
8	Clinical Programs - Treatment Reports	≥95%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100.0%
9	Substance Use Support & Treatment Plans	≥95%	100%	95.5%	100%	100%	100%	100%	100%	100%	100%	100%	100%	99.6%
10	Substance Use Support & Treatment Plans	≥60%	N/A	N/A	50%	N/A	N/A	55.6%	N/A	N/A	66.7%	N/A	N/A	61.2%
11	Adult Basic Education	≥95%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100.0%
12	Individual Operational Readiness	100%	N/A	N/A	100%	N/A	N/A	93.3%	N/A	N/A	100%	N/A	N/A	97.6%
13	Incident Reporting	≥95%	68%	90%	86%	90%	90%	94%	86%	88%	90%	90%	88%	87.3%
14	Medical Records Assessments	≥97%	99.3%	100%	99.1%	99.3%	98.5%	98.7%	98.1%	97.4%	99.4%	98.5%	98.3%	98.8%
15	Annual Health Reviews	≥97%	100%	99%	97.7%	100%	100%	100%	100%	100%	100%	100%	100%	99.7%
16	Failure Completion Time - priority 0 & 1	100%	100%	100%	100%	97.7%	100%	100%	100%	100%	100%	100%	100%	99.8%
17	Failure Completion Time - priority 2 & 3	≥90%	90.7%	92.2%	91.4%	91%	94.1%	90.9%	90.8%	90%	89.1%	83.6%	91.1%	90.5%
18	Preventative Maintenance	≥90%	N/A	N/A	97.5%	N/A	N/A	97.1%	N/A	N/A	97.4%	N/A	N/A	97.1%
Specified Events														
A	Escape		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
C	Death in Custody (Unnatural Causes)		0	0	0	0	1	0	0	0	0	0	0	1
D	Unlawful release of prisoner		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
F	Failure to Provide Information		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	0	0
Performance Improvement Notice (PIN)														
	Performance Improvement Notice		0	0	0	1	0	0	0	0	0	0	0	1

2024/25 YTD reflects the Performance Based Percentage results against Progressive Targets for the period. The applicable percentage varies between Performance Measures as applied in Schedule 5 – Performance Measures.