



## **ANNUAL REPORT 2008/2009**

Acacia Prison Services Agreement

This report covers the operation of  
Acacia Prison from 1 July 2008  
to 30 June 2009.



GOVERNMENT OF  
WESTERN AUSTRALIA

Department of Corrective Services

## ACACIA PRISON SERVICES AGREEMENT

ANNUAL REPORT 2008/2009

### TO THE MINISTER

To Hon Christian Porter BA(Hons) BEc LLB(UWA) MSc(Dist) LSE MLA  
Minister for Corrective Services

In accordance with section 15G of the *Prisons Act 1981*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Acacia Prison Services Agreement for the year ended 30 June 2009.

This report provides an overview of services provided by Serco Australia Pty Ltd under the Agreement for the management of Acacia Prison.

  
Ian Johnson  
Commissioner

24 September 2009

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## **FROM THE COMMISSIONER**

The 2008/09 operating year was one of significant improvement and consolidation for Acacia Prison – Western Australia's largest and only privately-operated prison.

I am pleased that Serco, who took over the prison's management in 2006, achieved the best service levels since the contract was originally tendered in 2001. Serco reached approximately 90% of the contracted performance targets, up from 68% the previous year.

This is no mean feat considering Acacia Prison – like most prisons in the State – has had to deal with increasing prisoner numbers. During the 12 months, Acacia Prison's population increased from 750 to 900 with the daily average population exceeding 875.

The ability of Acacia Prison to cope with the large number of prisoners reflects directly on the professionalism of staff and management, whose work, as in all prisons, goes largely unseen by the general community.

Improvements in the level of maintenance and new capital works during the year, including the upgrading of the wastewater treatment plant, will enable the prison to support the design capacity of 1,150 beds.

Pleasingly, there were no major incidents such as deaths in custody or escapes at Acacia Prison during the year, which can be attributed to improved processes as well as the commitment of staff and management. Additionally, Serco's senior executive and the senior management team at Acacia Prison continued to work closely with the Department of Corrective Services contract management team and my senior executive to ensure the required service levels are met..

It is important to highlight that whilst Acacia is a privately run facility it is still part of the WA Correctional Service and is part of a systematic approach to managing prisoners in this state. A key role for Acacia Prison in our system is programs for offenders and it continues to impress in the delivery of prisoner treatment programs. These programs help to make a positive difference to offenders' lives by ensuring they try to address their offending behaviours as part of their rehabilitation.

I have also noted Serco has made significant inroads in a drive for sustainability through the introduction of permaculture gardens, effective management of energy use and increased recycling. Environmental sustainability is one of the Department of Corrective Services' goals and I hope Serco continues the good work in this area.

Overall, the 2008/09 year saw Acacia Prison strengthen its standing as an innovative, effective and efficiently run prison. I thank and congratulate Serco and the prison's staff for their hard work and I look forward to the prison's continued progress in the future.

**Ian Johnson**  
**Commissioner**

## **EXECUTIVE SUMMARY**

During 2008/09, Acacia Prison operated without major incident and achieved 90.72% of performance measure targets.

The prison management team has continued to build on the advancements made in the previous 12 months. The communication link between management and staff has continued at a sound level and the program whereby prison managers work as prison officers ('walk in another person's shoes') has also continued to ensure senior management does not lose sight of the daily challenges faced by officers. Other programs, including leadership development, are also used to reinforce the relationship-building process.

There were no major disturbances or escapes from Acacia Prison during the year and no deaths were recorded.

During the year several capital works projects commenced at Acacia Prison. As the prison population grew to 900, additional beds were achieved by double bunking 100 cells. The wastewater treatment plant was upgraded to allow for 1500 people to use the site per day. The Department of Corrective Services also commenced capital works to develop appropriate infrastructure for the population increase to 1000 prisoners and has added treatment programs facilities at Acacia Prison. Initial work was also commenced on upgrading the perimeter security system software to ensure currency of the operating system.

During the latter part of 2008 a series of programs designed to minimise the carbon impact and to increase sustainability were introduced. These included permaculture gardens, poultry husbandry, vegetable gardening and the reduction of water and electricity use. Additionally a major improvement program for leadership and management was implemented across the site. Serco was paid a portion of the Innovation Bonus for this work.

Employee numbers at Acacia Prison continue to increase in line with the prison population.

The challenges facing Acacia Prison in the coming year include a major expansion of the facility to provide for an extra 350 prisoners and associated programs, industry and re-entry support. Serco and the Department are also testing a new prisoner "ATM" facility and a biometrically-based prisoner movement system.

## **BACKGROUND**

Acacia Prison is Western Australia's first and only publicly-owned and privately-managed prison. The medium-security facility is near Wooroloo, about 55km east of Perth and opened in 2001.

The *Acacia Prison Services Agreement* is a contract for the management and operation of the publicly-owned prison.

The initial five-year contract under the Agreement was awarded to AIMS Corporation to operate the prison from 16 May 2001. This contract was allowed to expire and following a re-tender process, a subsequent five-year contract with two, five-year extension options, was awarded to Serco Australia.

The current *Acacia Prison Services Agreement* with Serco commenced in 2006 and provides a contemporary agreement enabling greater flexibility and improved prison management options for the State. These options ensure that the *Acacia Prison Services Agreement* meets present day demands during the life of the Agreement. The Agreement also allows for the service provider to be innovative and identify improvements that can be transferred to State-operated prisons.

At the completion of the first five years of the contract an option is available for the State to extend for a further two, five-year periods. Initial work has commenced on developing a business plan to ascertain if there is a need to re-tender the contract or for it to remain with Serco Australia.

The *Acacia Prison Services Agreement* provides prison services in accordance with the *Prisons Act 1981*, with the Minister for Corrective Services responsible for the Act. The *Acacia Prison Services Agreement* is administered by the Department of Corrective Services.

Prison maintenance is provided under the authority of the *Acacia Prison Maintenance Agreement*, an agreement between the Department of Treasury and Finance and AIMS Corporation. The agreement is managed by the Department of Corrective Services.

## **THE RESPONSIBLE PRISONER**

Serco continues to promote and foster the "responsible prisoner" concept, which encourages prisoners to be more accountable for their actions while embracing opportunities for change.

This is based on Serco's philosophy, which states: *Our vision for every prisoner at Acacia Prison is that he will work actively with the help of the prison to address his offending, develop his abilities, and rejoin his community as a full and law-abiding citizen.*

It is Serco's impact on the behaviours of prisoners by which its success or failure will ultimately be judged. The vision translates into service through a prison which supports mechanisms where the offender/individual is the catalyst and driver for change, where offenders' needs are identified and met and where the intended outcome is a successful return to the community.

Serco bases its operational philosophy and regime on the Department of Corrective Services four cornerstones of imprisonment - custody and containment, care and wellbeing, rehabilitation and reintegration, and reparation. These are put into practice through Serco's governing principles of fostering an entrepreneurial culture, enabling people to excel, delivering promises and building trust and respect. Serco believes there is a close cultural fit between the four cornerstones and the governing principles, the former providing the outcomes for Acacia Prison, the latter providing the philosophy and ethos of the approaches by which they are achieved.

## **FEE STRUCTURE**

The Department of Corrective Services pays Serco (the service provider) an operational fee based on the prison's daily average population (DAP) over an operation month. A schedule of payments is defined within the *Acacia Prison Services Agreement*, which provides for 5%

of this payment to be withheld and used as a fee linked to performance. Of that withholding, \$250,000 is available to be awarded for innovation.

The performance of the prison is assessed against contractual measures. The Department of Corrective Services verifies information and statistics provided by Serco and assesses all data before paying the performance-linked fees.

## CUSTODIAL SERVICES

Acacia Prison's operating capacity is 913 male prisoners with a current daily average population in excess of 880.

Table 1: Daily average population (DAP)

Month	Aboriginal	% of Total DAP	Non Aboriginal	Total DAP
Jul	258	33.2	519	777
Aug	268	34.4	512	780
Sep	268	33.8	524	792
Oct	276	34.2	531	807
Nov	282	35.1	522	804
Dec	296	36.8	508	804
Jan	297	36.9	508	805
Feb	291	36.0	517	808
Mar	287	34.5	544	831
Apr	302	35.0	561	863
May	308	35.2	568	876
Jun	306	34.8	880	880

## PERFORMANCE MEASUREMENT

The Department of Corrective Services and Serco implemented the outcomes from a review of performance measures undertaken at a joint workshop. The new measures were implemented on 1 July 2009 and include more effective achievement levels which are better focussed on contractual requirements.

The revised performance measures are shown below in Table 2.

Table 2: Performance Measures

	<b>Previous Performance Measures</b>
1	The number of serious assaults per operation year.
2	The number of prisoners each committing one or more acts of serious self harm (including attempted suicide) per operation year.
3	The percentage of incident reports completed accurately in accordance with requirements.
4	The percentage of random urine sample tests identifying a Positive Urine Sample Test Result
5	Percentage of agreed staffing levels
6	Percentage of prisoners' sentence planning documents reviewed in accordance with their scheduled review date, and in accordance with Director General's Rule 18.
7	Percentage of prisoners whose program requirements as approved in the prisoners' Individual Management Plans (IMPs) are delivered as scheduled.
8	Percentage of prisoners to whom education and traineeships requirements as approved in the prisoners' Individual Management Plans (IMPs) are delivered as scheduled.
9	Management of social visits is in accordance with the requirements of Director General's Rule 7.
10	That all grievances are processed in accordance with the approved process.
11	The percentage of prisoners involved in a structured activity for no less than 30 hours per week.
12	The percentage of the Aboriginal prisoner population at Acacia who have received Aboriginal specific health education.

## **SIGNIFICANT EVENTS AND ACTIVITIES**

### **Contract Management and Reviews**

Both the services at Acacia Prison and the management of the *Acacia Prison Services Agreement* were subject to internal and external reviews during the year.

### **Health Services Review**

A review of Health Services was conducted during 2008/09 and the initial outcome was that Acacia Prison would not receive Australian General Practice Accreditation Limited accreditation because of its failure to achieve benchmarks in:

- information security;
- vaccine potency;
- perishable materials; and
- infection control.

Serco has since addressed these matters and accreditation has been granted.

### **Peer Reviews**

The Office of the Inspector of Custodial Services undertook an announced inspection of the prison in November 2008 and reported a high quality of service provision.

An annual peer review, generally performed by staff of another constituency was not required in 2008 due to the review undertaken by the Inspectorate.

### **Education and Vocational Training Review**

Each year the Department completes a review of the delivery and standard of the Education and Vocational Training at Acacia Prison. The 2008/09 review was still being evaluated at the time of finalising this report. It is expected that the findings will rate Acacia's achievement level as significant.

### **Monitoring**

The Department of Corrective Services provides on-site monitoring services at Acacia Prison. The monitoring provides valuable information to the Contract Manager and assists Serco as an "early warning system" to potential issues.

During 2008/09 Serco maintained a sound relationship based on open communication with the monitoring team. Key initiatives of the monitoring process during the operation year included:

- a review of the Acacia Prison Monitoring Plan with a series of process improvement recommendations being implemented;
- an audit of the Acacia Monitoring procedures by SAI Global resulting in a positive report;
- structured training courses focusing on compliance testing and auditing being conducted for Acacia Monitoring Officers and Contracted Services staff; and
- a review of the reporting and responding process was conducted and amendments were implemented.

### **Performance Measures Outcomes**

The *Acacia Prison Services Agreement* provides for contract payments consisting of a base contract fee and the performance-linked fee (PLF). The fee for performance levels is withheld from the monthly operation fee payable to the service provider. At the end of each Operation Year, if the Commissioner considers that the service provider has met the annual

performance measures, the PLF is paid. Should the performance level not be achieved, there is capacity to pay a percentage of the total fee.

As a result of performance during 2008/09 Serco was paid a Performance Linked Fee based upon achieving the KPI targets.

As per table 3 of the Performance Measure Outcomes, it is noted that Measure 11 did not achieve the desired results. To date this measure has proven difficult to achieve. Escalating prisoner numbers mean work resources are more limited, so the standards have been reduced to enable the opportunity for the service provider to achieve some of the fee for performance improvement.

The measure is also subject to a more intensive ongoing review process to develop a more meaningful measure that is focused on prisoners working in available positions.

Table 3: Performance Measures Outcomes

Performance Linked Measures		Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
1	N° Serious Assaults each operation year	0	0	0	0	1	0	0	0	0	0	0	0
2	N° of prisoners each committing one or more acts of Serious Self Harm each Operation Year	0	0	0	0	0	0	0	0	0	0	0	0
3	% Incident Reports completed accurately in accordance with requirements	97.2	95.1	98.5	95.9	97.3	98	98.3	92.7	95.5	96.2	95.6	94.3
4	% of positive results identifying a Positive Urine Sample.	7.7	11.5	15.2	12.5	15	12.5	7.5	8.8	3.7	2.4	5.7	5.7
5	% Agreed staffing levels	100	100	100	100	100	100	100	100	100	100	100	100
6	% Prisoner Sentence Planning documents reviewed in accordance with their scheduled review date, and in accordance with DGR 18.	100	100	100	98.2	100	100	100	100	100	97.8	99.1	98
7	% of prisoners to whose program requirements as approved in the prisoner's IMP are delivered as scheduled.	100	100	100	100	100	100	100	100	100	100	100	100
8	% of prisoners to whom education and traineeship requirements as approved in the IMP are delivered as scheduled.	100	100	100	100	100	100	100	100	100	100	100	100
9	% Management of Social Visits is in accordance with the requirements of DGR 7.	100	100	100	100	100	100	100	100	100	100	100	100
10	% of Prisoner Grievances managed in accordance with the approved process.	100	100	100	100	100	100	100	100	100	100	100	100
11	% of Prisoners in Structured Activity for no less than 30 hours per week.	60	67.5	50	60	57.5	52.5	40	30	42.5	42.5	45	42.5
12	% of the population of Aboriginal Prisoners accommodated in Standard and Enhanced Accommodation Levels.	100	100	100	100	100	100	100	100	100	100	100	100

### **Prison Maintenance**

The maintenance of Acacia Prison is provided under the Acacia Prison Maintenance Agreement between the Minister for Works and AIMS Corporation. While AIMS Corporation has withdrawn from activities in Australia, it has subcontracted Universal Sodexo to provide the maintenance at Acacia Prison.

In 2008 the Department of Treasury and Finance received an expression of interest from Serco for novation of the maintenance contract from AIMS to Serco. However, the contract could only be novated within the existing pricing, terms and conditions which did not suit Serco's requirements, consequently the contract remains with AIMS with Sodexo as the nominated sub contractor to AIMS. It is generally considered that the standard of service provision under the maintenance agreement has improved, however issues of planned rather than ad hoc maintenance still present challenges.

A novation of the agreement under the existing pricing, terms and conditions is planned from AIMS Corporation to the nominated sub-contractor, now known as Sodexo Remote Sites.

In 2008/09, fee for service payments totalling \$910,504 were made to the maintenance subcontractors, Universal Sodexo. Additionally, capital works valued at \$634,000 were completed when the upgrade of the wastewater treatment plant and the perimeter security system software were finalised.

Plant and equipment upgrade costs during 2008/09 totalled \$305,000 and included the purchase of replacements for end of life equipment and management software for the perimeter security system.

The Department of Corrective Services and Sodexo are working towards including performance measures in the Maintenance Agreement.

The trial measures are:

- the percentage of planned maintenance tasks per month achieved within the prescribed timeframes;
- the number of critical spares maintained on site in accord with the agreed Critical Spares Register;
- the number of reactive maintenance tasks completed in accord with the agreed repair timeframes;
- the number of maintenance work orders awaiting parts; and
- the number of serious workplace injuries.

The annual review of maintenance services was completed by Sinclair Knight Merz (SKM) in August 2008. The outcome was that while service improved there were still outstanding maintenance items to be addressed.

## **SIGNIFICANT CHALLENGES 2009 - 2010**

### **Contract Management**

#### **Increase in prisoner numbers**

The double bunking project at Acacia Prison will result in an additional 200 prisoners being bunked by November 2009. Additionally, a major accommodation expansion to increase the site capacity by 350 beds will commence in 2010.

#### **Escalation of the prisoner resettlement (re-entry) process**

Acacia Prison has an efficient resettlement process but this requires expansion and enhancement to better service the high number of prisoners released from the Prison. During 2008/09 of the 1317 prisoners who left Acacia Prison, 658 were released to the community and offered access to re-entry assistance.

### **Structured day**

The prison continues to experience difficulties providing meaningful activities for the prisoner population. The Acacia Prison Services Agreement has a performance measure for this activity and to date Serco has not achieved the required level. Serco needs to overcome these problems if the PLF for this measure is to be achieved. Key drivers required to enable the introduction of a functional structured day are an expansion of the industries area and workshops, expansion of the education centre and additional recreational facilities.

### **Operations and the provision of services**

#### **Custody and Containment**

Since the inception of Acacia Prison prisoner information has been provided via a prisoner information booth known as an "ATM". A trial of an updated and more efficient system is currently operating and it is expected this system will provide more comprehensive opportunities for self service for prisoners thus freeing staff to attend to other duties. The new system will enable prisoners to, in addition to some current functions, book their own visits electronically, view future visits and access more local rules and policies.

It is also proposed to trial a biometric system to manage and track prisoner movement at Acacia Prison during the coming year. The system involves the use of fingerprint recording and has been successfully used in the United Kingdom for some time.

#### **Rehabilitation**

Performance measures indicate that Serco has significantly improved the delivery of programs enabling prisoners to address their offending behaviour and adopt law-abiding lifestyles. The Department of Corrective Services credits Serco with providing the State's best performance in terms of program delivery. During the next 12 months Serco will be trialling more programs.

#### **Reparation**

Serco will be expected to engage more prisoners in meaningful work – be it education, programs or employment. The proposed trial of the prisoner movement system will enhance the potential for this by providing for better measurement of prisoner location and movement. Improvement in this facet of operation will require additional infrastructure such as increasing the industries facilities.

In 2010 the blue gum plantations associated with the waste water treatment plant at Acacia Prison will be harvested with the income being used to re-establish the plantations and re-tool workshops in the prison.

#### Resources and Systems

Serco continues to provide a good number of staff and while sick leave is still an issue it is not considered to be a result of staff dissatisfaction. Staff are adequately deployed in order to maintain service levels, however it will be imperative that Serco continue to attract and retain staff in the face of recruitment programs in the public prison sector.

At present Serco provide staff with comparable pay and conditions to those applied in the public sector and administrative and professional personnel are well compensated in comparison with their public counterparts.

#### Monitoring and Compliance

The Department of Corrective Services aims to ensure that monitoring and contract management officers are suitably trained and qualified to undertake the audit and process assessment aspect of their work. The three monitoring officers continue to report regularly to the Contract Manager. Additionally the monitoring plan has been reviewed and will focus more on compliance auditing. It is expected that the results of the outcomes of the audits will be better reported thus allowing the results to be analysed to determine any potential adverse trends toward poor practice. The analysis will focus on time taken to remedy or treat problems, actual increases in same or similar problems and other more indicative aspects of the data.

#### Performance Measurement

The annual review of performance measures applied under the *Acacia Prison Services Agreement* has identified potential areas for improvement in the measures and the associated scales of payment against achievement. The Department of Corrective Services has worked with Serco and a series of adjustments have been made to these measures.

Amendments include a measure that addresses the provision of health services to indigenous prisoners, whereby Serco will be expected to provide indigenous specific health education and services to prisoners in every 6 month period.

#### Minimum Security Prisoners

Acacia Prison is a medium-security facility, but at any given time there could be approximately 80 minimum-security prisoners held for varying reasons. The Department is currently exploring all options to expand facilities across the system to better balance the prison population.

The high number of minimum security prisoners impacts on the operation of the prisons in the State in that more prisoners could be accommodated at Acacia Prison if the minimum security prisoners could be placed at minimum security institutions.

## **CONCLUSION**

2008/09 saw stronger relationships between management and staff forged and a greater commitment by Serco to its tender bid promises to work collaboratively with the Department of Corrective Services to achieve a robust standard of service provision.

The introduction of effective performance measures that are compliance based, and the ongoing operation of the effectiveness of the on-site monitoring process should ensure Acacia Prison continues to perform well over the coming year.

Acacia Prison is functioning well and continues to innovate in areas such as program delivery and environmental sustainability. The challenge for both Serco and the Department of Corrective Services will be to continue Acacia Prison's high performance levels with the planned expansion of the prison population.