



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

# **Annual Report 2019/20**

## **Acacia Prison Services Agreement**

<b>Document status:</b>	Final
<b>Date:</b>	23 September 2020
<b>Approved by:</b>	Dr Adam Tomison DIRECTOR GENERAL DEPARTMENT OF JUSTICE
<b>Content Manager reference:</b>	D20/390819

## 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	2019/20 Key Projects and Initiatives .....	4
3.1	Individual Management Plan Contract Variation .....	4
3.2	Virtual Visits .....	5
3.3	Communications Suite .....	5
4	Prison Population .....	5
5	Contractual Performance .....	6
5.1	Performance Measures .....	6
5.2	Corrective Measures Applied .....	7
5.2.1	Performance Improvement Requests (PIRs) .....	7
5.2.2	Abatement Amounts .....	7
5.2.3	Default Notices .....	7
6	External Oversight.....	7
6.1	Office of Inspector of Custodial Services Inspection .....	7
6.2	Independent Visitors Services (IVS).....	7
7	Contract Payments and Associated Financial Information .....	8
7.1	Prisoner Welfare Trust Fund (PWTF) .....	8
7.2	Prison Industries .....	9

## **1 Contract Background and History**

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

The Acacia Prison Services Agreement (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), was executed on 6 May 2006. Serco commenced operations on 16 May 2006. The Agreement was awarded as a five year contract with two extension options of up to five years each. The first of the two five-year extension options was exercised in May 2011. The second and final option was exercised in May 2016. The Agreement will expire on 16 May 2021.

On 23 December 2019, the Minister for Corrective Services announced the continuation of private management for Acacia Prison. A Project Steering Committee comprising membership from the Department of Justice, the Department of Treasury, the State Solicitor's Office, the Department of Premier and Cabinet and Corporate Services is managing the retender project.

## **2 Contract Management**

### **2.1 Overview**

The Agreement is overseen and monitored by the Private Prison Contracts Management (PPCM) branch within the Corrective Services.

Contractual performance and service delivery is assessed and managed by a contract management meeting, held monthly, with the Contract Manager, the Contractor Representative/Superintendent and other Departmental and Serco representatives. This includes reviewing Performance Measures, Performance Improvement Requests (PIRs), Specified Events and other contract management oversight mechanisms. It also provides a forum to discuss operational matters affecting Acacia.

Contractual performance and service delivery is overseen by the Joint Management Board. The meetings are attended by the Commissioner of Corrective Services, the Contractor 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 Corrective Services operates a team of on-site compliance officers through its Operational Compliance branch, who conduct compliance checks to ensure service delivery requirements are met.

Feedback from the Compliance Officers assists in assessing compliance and performance, as well as ensuring continuous improvement by Serco.

## 2.3 Performance Measures

The Agreement provides for a suite of thirteen (13) Performance Measures and two (2) non-financially incentivised Performance Indicators that enable the State to assess compliance with service delivery requirements within the Agreement.

5% of the monthly Operation Payments due to Serco are withheld to allow for the payment of the Performance Measures (see 7 *Contract Payments and Associated Financial Information*).

A monthly report is completed by Serco indicating performance against each performance measure, which is reviewed and verified by PPCM.

## 2.4 Corrective Measures

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

- Performance Improvement Request (PIR): A written notice by the State requiring Serco to improve its performance of the Contractor Services.
- Abatement Amount: An amount required to be paid as the result of a Specified Event as listed in Schedule 1 of the Agreement.
- Default Notice: A notice given by either party for any breach or default by the Contractor or the Contractor's Obligations.

## 3 2019/20 Key Projects and Initiatives

### 3.1 Individual Management Plan Contract Variation

Corrective Services has been experiencing a steady increase in the backlog of Individual Management Plans (IMPs) due to a number of factors including increasing prisoner numbers. An initial IMP is required to be developed within 28 days of sentencing and is reviewed every six to 12 months depending on total sentence length. The Hakea Prison assessments team ordinarily complete the initial IMPs of adult male prisoners in the metropolitan area.

On 24 June 2019 the State entered into a Variation Notice and Agreement for Serco to carry out IMP services including initial IMPs, treatment assessments and educations assessments for an initial six month period with one extension option for a further six months at the State's discretion. The six month extension option was exercised and the Variation Agreement expired on 23 June 2020.

During the 2019/20 Operation Year Serco supported Corrective Services by contributing to an approximate 50% reduction in the backlog of initial IMPs.

A new Variation Notice and Agreement was entered into on 24 June 2020 to allow Serco to continue carrying out IMP services for a further six month period expiring in December 2020.

### **3.2 Virtual Visits**

Following the suspension of social visits on 23 March 2020 due to Coronavirus Disease 2019 (COVID-19), Serco implemented virtual sessions through an online telecommunications application, using tablets for prisoners and their immediate family allowing them to maintain contact during COVID-19. The sessions proved successful and this model was assessed for public prisons.

### **3.3 Communications Suite**

Following the implementation and success of virtual visits, Serco also assessed the use of virtual visits to provide increased communication options for prisoner's professional appointments. Funding for a Communication Suite was approved in the 2019/20 Operation Year with work to commence and be finalised in the 2020/21 Operation Year.

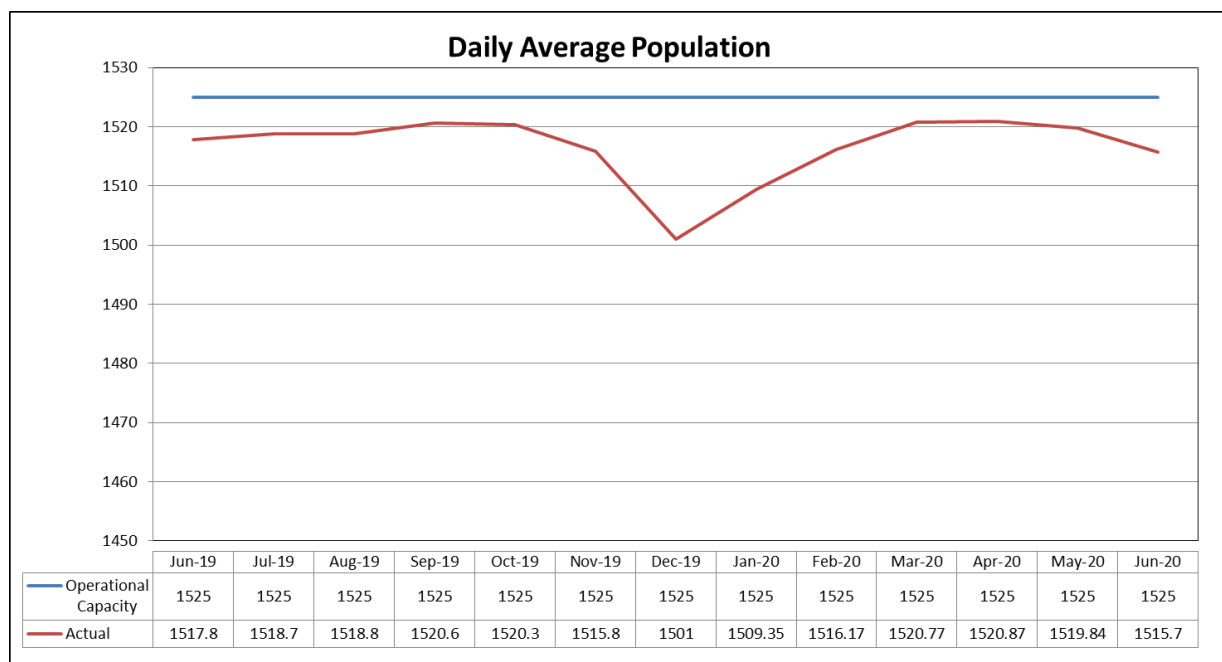
The Communication Suite will enable virtual visits to continue to operate, offering services between prisoners and their families in a social capacity. The Communication Suite proposal also includes an extension to other rooms to be refurbished and enable Official Visitors and prisoners to communicate with Government agencies including Centrelink, Medicare, Department of Child Protection as well as their lawyers.

## **4 Prison Population**

At the conclusion of the 2019/20 Operation Year, Acacia had an operational capacity of 1525 prisoners. This included 827 standard, 362 self-care, 303 protection 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, the State operates 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 2019/20 Operation Year.



## 5 Contractual Performance

### 5.1 Performance Measures

The PPCM branch reviews contractual performance on a monthly basis. Serco submits a monthly report that includes a performance report indicating performance against all performance measures. The performance report is reviewed by PPCM and a final report of the performance measures for the month is produced and signed by the State.

During the 2019/20 Operation Year Serco's performance against the Performance Measures was less than satisfactory. There were 14 serious prisoner assaults which was more than the 2018/19 Operation Year of eight. There were 14 serious self-harm incidents, compared to seven in the 2018/19 Operation Year.

Only 0.99% of random drug tests returned positive results, compared to 2.65% in the 2018/19 Operation Year.

Serco achieved full payment for eight of the 13 Performance Measures, with partial payment of the remaining five. 83.8% of the available PLF (\$3,047,187.27) was paid to Serco (see *7 Contract Payments and Associated Financial Information*) compared to 92.85% in the 2018/19 Operation Year.

The Acacia Risk Group (ARG) was established to oversee key services areas, including Assaults and Self Harms. The ARG will commence in the 2020/21 Operation Year.

The results of Serco's performance against each performance measure for the 2019/20 Operation Year is shown in the attached Performance Measure Dashboard at Attachment A.

## **5.2 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 2.4 *Corrective Measures*). The following corrective measures were applied in the 2019/20 Operation Year:

### **5.2.1 Performance Improvement Requests (PIRs)**

In the 2019/20 Operation Year there was one PIR issued. On 16 July 2019 a PIR was issued to Serco relating to Management of At-Risk Prisoners. The State identified multiple examples of Serco failing to adequately administer Risk Management Plans implemented under the At-Risk Management System (ARMS) Manual compromising the safety of prisoners housed at Acacia.

The failures related to the issuing of a razor to a prisoner which was contrary to his Risk Management Plan and ongoing failures to conduct ARMS observations for multiple prisoners within timeframes required by Risk Management Plans. Serco provided an action plan addressing the failures and advised of a number of actions which were implemented to prevent a further reoccurrence.

### **5.2.2 Abatement Amounts**

During the 2019/20 Operation Year, there were no abatements issued to Serco.

### **5.2.3 Default Notices**

In the 2019/20 Operation Year there were no Default Notices issued by the State.

## **6 External Oversight**

Serco's operations at Acacia Prison are subject to a range of reviews by external bodies. During the 2019/20 Operation Year, reviews included:

### **6.1 Office of Inspector of Custodial Services Inspection**

From 21 to 29 November 2018, the Office of the Inspector of Custodial Services carried out an inspection of Acacia Prison. A draft copy of the report was provided to the Department on 13 June 2019.

The Department has responded to all ten recommendations contained within the report. During the 2019/20 Operation Year the Department closed five recommendations. The Department will monitor and ensure the actioning of the remaining five recommendations in the 2020/21 Operation Year.

### **6.2 Independent Visitors Service (IVS)**

The IVS is managed by the Office of the Inspector of Custodial Services, 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 2019/20 operation Year, the IVS undertook eight visits to Acacia Prison. It is noted visits ceased in April, May and June 2020 due to COVID-19. Issues raised by

prisoners included property, medical, and assessment complaints. Each complaint was responded to by Serco and responses were overseen by Corrective Services.

## 7 Contract Payments and Associated Financial Information

The costs associated with the Agreement for the 2019/20 Operation Year are below (rounded to the nearest dollar):

Services Payment	Payment
Operation Payments (excluding 5% PLF withholding)	\$69,075,234
Performance Linked Fee (PLF)	\$3,047,187
Wages Adjustment (including the estimated value of the balance payment amount not yet paid)	\$8,310,000
Pharmacotherapy Reimbursement	\$312,552
Hospital Sits Reimbursement	\$131,045
Utilities Reimbursement	\$607,236
IMP Contract Variation	\$641,373
<b>Gross Total:</b>	<b>\$82,124,628</b>

### 7.1 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. In addition, Serco has contributed 50% of gross sales from the visitor's canteen into the trust fund. 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.

As at 1 July 2019 the PWTF had an opening balance of \$94,512.74.

Payments made to the PWTF in the 2019/20 Operation Year totalled \$66,646.99.

The following expenditure was approved by the Department in the 2019/20 Operation Year:

- Family days: \$13,791.25
- Christmas presents for Santa to give to children attending visits during the festive period: \$4,999.35.

The PWTF had a closing balance of \$142,369.13 at the end of the 2019/20 Operation Year.



## **7.2 Prison Industries**

Serco engages with external agencies and contractors to provide training which allows prisoners to undergo and complete trade-related and employment-specific skills. These include metal workshops and woodwork shops producing a wide variety of woodwork items, including designing a new prototype bunk used in the recent 50 bed expansion.

Under clause 8.2 of the Agreement, Serco is required to pay the State an amount equal to ten percent (10%) of the Gross Prison Industry Revenue. In the 2019/20 Operation Year \$110,011 was paid to the State.

The following expenditure was approved by the Department in the 2019/20 Operation Year:

- Purchase of sea containers: \$18,932.
- Purchase of printers and warranty for IMP Variation: \$1,396.
- IT costs for IMP Variation: \$3,714.
- Program room renovations: \$5,500.
- Communicate Suite: \$46,873.

### **Attachments:**

*Attachment A – Performance Measure Dashboard 2019/20*

