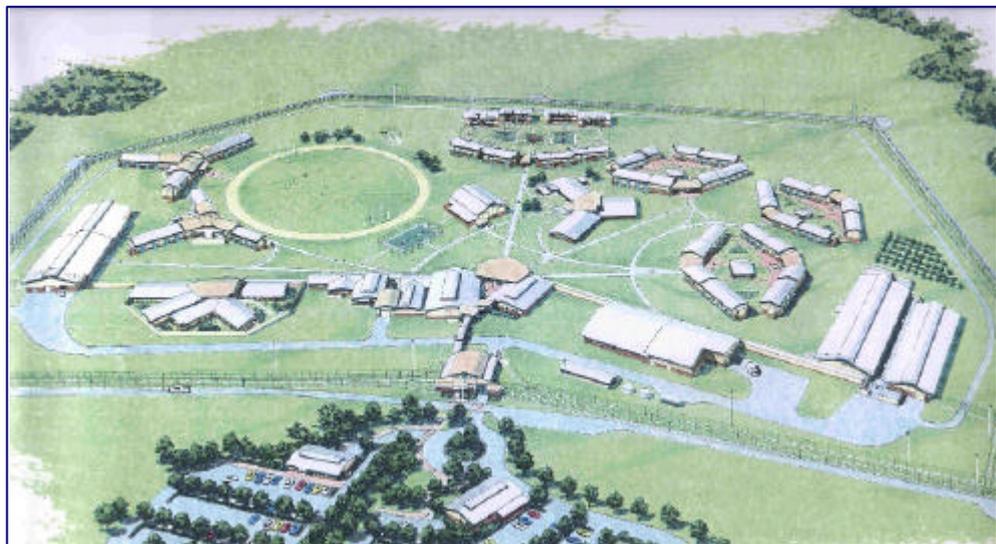




Annual Report

Acacia Prison Services Agreement

2001/2002



30 Sept 02

**ACACIA PRISON SERVICES AGREEMENT
ANNUAL REPORT 2001/2002**

TO THE MINISTER

To the Hon J A McGinty BA, BJuris (Hons), LLB, JP, MLA
Attorney General
Minister for Justice and Legal Affairs

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 ending 31 May 2002.

This report provides an overview of services provided under the Agreement for the management of Acacia Prison by Australian Integration Management Services Corporation (AIMS).

This report provides information which demonstrates the manner in which AIMS has performed in relation to the contract and the extent to which it has complied with the contract.



Alan Piper
Director General
30 September 2002

FROM THE DIRECTOR GENERAL

The first full year of operation for Acacia Prison has been a rapid learning curve – for Australian Integration Management Services Corporation (AIMS) and, in many ways, for the Department of Justice too.

Working with the Department, AIMS has developed a prison where the staff/prisoner relationships are positive and there have been no serious incidents of self-harm, loss of control or escapes.

At year's end, the prison had a population of just over 650 and had taken considerable pressure off the public prison system.

There have been constructive relationships between Acacia Prison and other operational divisions within Prisons Division and both the public and privately managed prisons will benefit from those cooperative relationships.

In hindsight, the Department's graduated fill program was an extremely wise risk management strategy, which allowed the Prison to ease into its role as a major medium security facility in Western Australia. While engaging staff without previous correctional experience was also a deliberate strategy, it was important to give these relatively inexperienced officers time to develop.

The inaugural Acacia Prison Annual Performance Review, conducted in July 2002, identified a number of strategic and operational achievements as well as areas in which the Department requires improvement.

Those key areas in which AIMS' performance did not reach the agreed benchmark and therefore did not receive its full performance fee include:

- prisoners employed or in programs
- employment hours completed
- vocational education and training hours provided; and
- program need in accordance with Individual Management Plan (IMP) requirements.

These areas are key to the successful rehabilitation of prisoners and the Department will be vigilant to ensure that improvements are made in the year ahead, in line with the Government's drive to improve prisoners' re-entry to the community and reduce recidivism.

The Department of Justice firmly believes a consultative approach is a critically important element of successful contract management. So I take this opportunity to commend the work of everyone involved in the range of advisory groups helping AIMS develop and maintain relevant and effective services to the prisoner population. These advisory groups include Aboriginal community representatives and others from a range of Government and non-Government agencies, industry and training bodies, unions and community groups.

I would also like to commend the work of the Department's own Custodial Contracts Branch which has broken new ground in establishing and managing this contract for the operation of the State's first private prison.

A handwritten signature in black ink, appearing to read "Alan Piper".

Alan Piper
DIRECTOR GENERAL

ACACIA PRISON AGREEMENT ANNUAL REPORT 2001/2002

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BACKGROUND

The Australian Integration Management Services Corporation Pty Ltd (AIMS) was awarded the contract to provide prison services at the State's first privately operated prison, Acacia Prison on 21 December 1999.

Under the terms of the Agreement AIMS provides for the management, control and security of Acacia Prison under the four cornerstone service areas for good prisoner management – custody and containment, care and well-being, rehabilitation and reparation.

There are financial penalties for AIMS, should they fail to meet agreed benchmarks in each of the Performance Linked Fee Measures covering the four cornerstones of prisoner management.

AIMS commenced delivery of prison services on 16 May 2001 and this report deals with its first full year of operation.

From the outset, the concept and philosophy for Acacia Prison was the creation of a correctional environment which operated according to defined principles including the principle of balance between security, prisoner care and well-being, rehabilitation and reparation.

The Graduated Fill Program

A graduated fill program was a risk management strategy designed and implemented by the Department of Justice. It saw Acacia Prison's population grow from 12 on 1 June 2001 to 652 on 31 May 2002.

There were 1106 prisoners received at Acacia between May 2001 and May 2002.

At year-end, prisoners of Aboriginal descent made up approximately 23% of the prisoner population.

The delay in getting the prison to the agreed population of 700 was the result of limited availability of medium security prisoners, a marked downturn in the State's prisoner population and shorter sentences resulting in a higher than predicted attrition rate.

The prison is expected to reach full operating capacity early in the new year of operation.

The planning and management of the 2001/02 fill program was conducted without a major incident – no escapes, no major disturbances and no deaths in custody.

The graduated fill program gave the Prison time to develop and implement effective operational procedures and allowed relatively inexperienced custodial staff to mature as the population increased.

Month	Aboriginal	Non-Aboriginal	Total ADP	Population on last working day of month
June 01	13	56	69	74
July 01	18	69	87	114
Aug 01	34	130	164	197
Sep 01	42	173	215	218
Oct 01	43	188	231	261
Nov 01	57	250	307	344
Dec 01	78	292	370	367
Jan 02	89	319	408	468
Feb 02	118	393	511	559
Mar 02	138	447	585	617
Apr 02	153	484	637	649
May 02	156	496	652	651

Staffing

A total of 241 staff was employed in 2001/2002 at Acacia Prison. This included seven managers, 155 custodial staff, 19 working in programs, 12 in industries, 19 in administration, nine in support, 10 medical staff and a further 10 in operations management.

All staff working at Acacia Prison who have contact with prisoners are required to complete either a nine-week nationally accredited pre-service course (custodial) or a non-custodial induction program (programs, health services, industries and administration staff).

Monitoring

The performance of Acacia Prison has been carefully monitored throughout the year by a dedicated Contract Management Team and the Department of Justice onsite monitoring team. There have also been two operational reviews (in July and October 2001) and a performance review in July 2002. (*The Acacia Prison Annual Performance Review Report, 2002* is available in full on www.justice.wa.gov.au).

The Inspector of Custodial Services has visited the site informally and several Members of Parliament have also visited the prison.

Other groups who visit on a regular basis include Aboriginal Elders, Deaths in Custody Watch Committee and the Prison Reform Group.

SERVICES

Custody and Containment

Prisoners should be kept in custody for the period prescribed by the court at the lowest possible level of security necessary to ensure their continuing custody, the good order and security of the prison and the safety and protection of the community.

Table: Performance Linked Fee Measures: Custody

		Standard required for performance linked fee	Performance to 31 May 2002
(a)	No. of recorded incidents of serious assaults by prisoners on prisoners	30 or less p.a.	6
(b)	No. of recorded incidents of serious assaults by prisoners on contractor persons or visitors	8 or less p.a.	2
(c)	No. of recorded incidents of serious assaults by contractor persons on prisoners	nil p.a.	0
(d)	Percentage of positive findings from 5% monthly random urine analysis sampling	8% p.a. or less	9.09%
e)	No. of substantiated prisoner complaints to the Ombudsman	10 p.a.	3

AIMS has achieved the required results in each of the above performance linked measures with the exception of item (d), positive drug tests. There was a considerable increase in the number of positive random drug test results for three successive months in the early part of 2002 which the Department agreed may have been the result of extenuating circumstances. The Department is monitoring this issue closely and working with the prison management to ensure that systems and procedures are in place to control access to drugs.

Drug Use

Acacia Prison has a well-documented drug strategy based on demand reduction and supply reduction and practice is consistent with the strategy. Strategies include gate controls, use of passive alert dogs and intelligence functions. Prisoner management and treatment strategies complement the demand control strategies. Acacia also has a dedicated “drug free” unit which supports and assists those prisoners making a commitment to move from drug dependence to drug independence.

Complaints

There were 132 prisoner allegations to the Ombudsman during the year. Of these, three were sustained complaints.

There are 52 prisoner complaints awaiting retrospective determination by the Ombudsman. Should these outstanding complaints result in the benchmark of 10 being exceeded, then the Performance Linked Fee for 2001/2002 will be reclaimed. The high use of the Ombudsman’s Office by prisoners at Acacia is disappointing and reflects a poor internal prisoner grievance process, which requires considerable improvement in the year ahead.

Escapes

There were no escapes from Acacia Prison between May 2001 and May 2002, however, there was an unlawful release in June 2001, which did not incur a penalty.

Security

A key feature of Acacia Prison is the integration of static and dynamic security systems to provide security and safety and support an internal environment that enforces the minimum restrictions necessary.

The full integration of Acacia’s security framework and innovative technology with management systems and practices, in line with the concept and philosophy of the prison, have not been fully realised in the first operational year as reported in the Acacia Prison Annual Performance Review Report (2002).

Care and Well Being

There should be a commitment to ensuring prisoners' emotional, physical and cultural needs are acknowledged and appropriately addressed.

Table: Performance Linked Fee Measures: Care and Well-Being

		Standard required for performance linked fee	Performance to 31 May 2002
(f)	No. of incidents of serious self-harm or attempted suicide	25 or less p.a.	3

AIMS' performance in relation to care and well-being remains positive. The quantitative performance indicators relating to this key result area include the number of serious self-harm incidents and deaths other than from natural causes. There were three reported incidents of serious self-harm or attempted suicide during the year, which is well within the performance measure established in the agreement.

The Culture

There has been a positive correctional culture developed and maintained at Acacia Prison with the management of prisoners characterised by constructive management approaches consistent with the original concept and philosophy of Acacia.

The term "pro-social" is a feature of language within the prison and staff model sound communication and responses to negative prisoner behaviour that reflects their understanding of the concept.

Assisted Care Unit

The prison has a designated 20-bed 'assisted care' unit for prisoners with special needs. The centre is designed to meet the needs of elderly prisoners and prisoners with physical and intellectual disabilities.

Health Services

Acacia Prison provides daily health care of all prisoners by qualified health personnel, with attention given to special medical programs and preventative healthcare. In line with the Acacia Drug Strategy, there is a focus on reducing the reliance on prescription medication and encouraging prisoners to reduce or cease reliance on illicit substances also. (See also, Indigenous Support below)

Acacia's Medical Centre is staffed by registered nurses 24 hours a day. A medical officer, dentist and psychiatrist visit the Prison each week, an optometrist visits each month and a physiotherapist attends as required

Indigenous Support

Acacia Prison is committed to providing pro-active indigenous services. These services include:

- Two full-time support staff for indigenous prisoners
- A Prisoner Peer Support Team, supported by the indigenous Coordinator
- A special purpose-built cultural centre to encourage prisoners to retain strong links to their culture while in custody and where visiting members of the community can meet with prisoners
- Promotion of participation in prison events such as NAIDOC celebration, family days, visits by indigenous community elders and traditional dance groups
- An Aboriginal Visitors scheme, which involves visits to Acacia twice a week.

An Indigenous Community Reference Group meets monthly and contributes to Acacia's indigenous programs and policy development.

AIMS has not established indigenous health services at Acacia and has yet to achieve the health services expressed in their initial proposal.

Rehabilitation and Reintegration

Prisoners are to be encouraged to engage in programs, education and activities that seek to reduce the risk of re-offending and increase their potential for reintegration into the community.

Table: Performance Linked Fee Measures: Rehabilitation

		Standard required for performance linked fee	Performance to 31 May 2002
(i)	Percentage required vocational/education training hours provided	100% p.m.	8 out of 12 months achieved the benchmark
(j)	Percentage required offending behaviour program hours provided	100%	9 out of 12 months achieved the benchmark

Accredited Programs

Accredited programs delivered at Acacia include:

- Addictions Offending Course
- Cognitive Skills Course
- Sex Offender Intervention Program
- Violent Offender Intervention Program
- Controlling Anger and Learning to Manage It.

Acacia is a Registered Training Organisation and delivers educational courses and vocational training to prisoners, trading as Avon Valley Educational Training Services (AVETS).

Rehabilitation outcomes for 2001/2002 were below performance expectations and therefore AIMS will not receive their full performance fee for this measure.

Focussed efforts are in place and well progressed to improve AIMS' performance in regard to rehabilitation outcomes in the year ahead. An area of particular concern to the Department is the timely completion of assessment reports as determined by a prisoner's Individual Management Plan.

Furthermore, the Annual Performance Review Report (2002) recommended that:

- Improving performance on rehabilitation outputs be a priority area in the operational planning processes being undertaken by Acacia management.
- Strategies be implemented to fulfil outstanding program commitments and that implementation progress be closely monitored by the Department.
- Operational imperatives are managed in ways that do not negatively impact on the achievement of programs

The Department will be vigilant in watching for improvement in this area in the year ahead.

Reparation

Prisoners make positive contributions to the community through work and other activities.

Table: Performance Linked Fee Measures: Reparation

		Standard required for performance linked fee	Performance to 31 May 2002
(g)	Percentage of prisoners employed or in programs	100%	5 out of 12 months achieved the benchmark
(h)	Percentage of contract work hours provided	100%	9 out of 12 months achieved the benchmark

The primary objectives of reparation are to:

- to provide opportunities for prisoners to offset the costs of their imprisonment and
- to provide opportunities for prisoners to undertake tasks which provide a benefit to the community

Employment/Industries

During the first operational year, prisoners were employed in food processing, metal work, woodwork, commercial laundry, kitchen, horticulture and grounds maintenance,

education support services and general services. However AIMS did not provide the required six hours work per day, per prisoner during the past year.

Reparation outcomes at Acacia in 2001/2002 were less than optimal. While it was recognised that performance had improved towards the end of the year, the *Acacia Annual Performance Review (2002)* found that the range and number of opportunities for prisoner employment needed to be expanded. Compounding this is the lack of management systems at Acacia that would provide integration between key operational and functional areas for prison and prisoner management. An example is where the Case Management and the structured day model have not yet matured into an effective system to produce positive outcomes for either rehabilitation or reparation.

Contract Payments

Contract payments to AIMS have been made in accordance with the amounts specified in the Agreement. The payment of the total PLF figure is the subject of negotiations between the Department and AIMS, which will be finalised early in the year ahead.

Table: Payments made to AIMS to 31 May 2002 (excluding GST)

Period	Total Owing	PLF Withheld	Amount Payable
May 2001	685,184.00	34,259.20	650,924.80
June 2001	1,336,378.97	66,818.95	1,269,560.02
July 2001	1,399,982.00	69,999.10	1,329,982.90
Aug 2001	1,535,547.50	76,777.38	1,458,770.13
Sept 2001	1,597,743.50	79,887.18	1,517,856.33
Oct 2001	1,642,864.50	82,143.23	1,560,721.28
Nov 2001	1,752,591.50	87,629.58	1,664,961.93
Dec 2001	1,757,669.00	87,883.45	1,669,785.55
Jan 2002	1,832,954.50	91,647.73	1,741,306.78
Feb 2002	1,904,501.00	95,225.05	1,809,275.95
Mar 2002	1,859,835.00	92,991.75	1,766,843.25
Apr 2002	1,859,835.00	92,991.75	1,766,843.25
May 2002	1,921,023.44	96,051.17	1,824,972.27
Total	21,086,109.91	1,054,305.50	20,031,804.41

Note: All figures quoted do include GST.

Note:

The initial figure shown is for the period 16 - 31 May 2001

This was an adjustment made to the contract to align the payments to a monthly format.

DEFINITIONS

Enabling Legislation

The enabling legislation that allows private sector involvement in the management of prisons in Western Australia is the *Prisons Act 1981*, which incorporates the amendments passed by the Parliament in late 1999. The amendments allow for private sector involvement in the management of a prison within strict guidelines, and appropriate safeguards for the State.

The Contract

Contracting Parties

The principal to the Agreement is the Director General of the Department in his capacity as Chief Executive Officer under the *Prisons Act 1981*, for and on behalf of the State of Western Australia.

The contractor is Australian Integration Management Services Corporation Pty Ltd (AIMS). AIMS is Australian registered and 100 per cent owned by French company Sodexo Alliance.

Service Requirements

Under the terms of the Agreement, AIMS provides for the management, control and security of Acacia Prison and the custody, care, well-being and rehabilitation of prisoners at the prison.

The Agreement documents the minimum standards and operation service requirements in Annexure A.

Contract Duration

The term of the Agreement is for five (5) years from the commencement date of 16 May 2001.

The principal has the option to extend the term of the Agreement on one or more occasions, and for terms of not less than three (3) years and not more than five (5) years, but cannot extend the operation period beyond the expiration of 20 years from the commencement date.

Regulatory Framework

AIMS must adhere to the same legislation, policies and procedures as publicly operated prisons, in delivering the services. The figure below shows the hierarchical relationship between legislation, policies, the Agreement, and Acacia Prison specific operational procedures developed by AIMS.



Remuneration Arrangements

Remuneration for AIMS under the agreement is based upon a fixed price (operation charge) and is subject to CPI adjustments. The operation charge is paid monthly in the amounts specified in clause 8 of the Schedule of the Agreement.

The Department withholds from the monthly payments to AIMS a sum of five per cent of the operation charge. This amount is held by the Department and forms the basis upon which an annual performance linked fee is calculated.

The Department may also withhold from the monthly payments to AIMS any amount AIMS owes the Department resulting from claims of liquidated damages.

Performance Linked Fee

At the conclusion of each operational year, AIMS is entitled to a percentage of the performance linked fee that has been withheld during the year, based on performance against the annual performance measures detailed in clause 1 of the Schedule of the Agreement.

Liquidated Damages

The Agreement allows for liquidated damages to be paid by AIMS to the Department where:

- the number of available prisoners places is less than 750; or
- a specified event occurs.

A specified event is defined as:

- a completed escape;
- the unnatural death of a prisoner; or
- a loss of control.