



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

Annual Report 2010/2011

Acacia Prison Services Agreement

Annual Report covering the operation of Acacia Prison from
1 July 2010 to 30 June 2011



GOVERNMENT OF
WESTERN AUSTRALIA

Department of Corrective Services

Acacia Prison Services Agreement
Annual Report 2010/2011

TO THE MINISTER

Hon Terry Redman 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 2011.

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

30 September 2011

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From the Commissioner

This year marked the tenth anniversary of the opening of Acacia Prison. As the State's only privately operated prison, Serco Australia Pty Ltd continued to deliver cost-effective services during 2010/2011.

At the end of this financial year, Serco (Acacia Prison) secured 95.69% of the annualised Performance Linked Fee payment, a figure comparable to last year's (96%), and demonstrates a consistently high performance level. There remains however, scope for the Contractor to improve its performance, especially in the area of prisoner employment. A planned review of the Performance Linked Fee measures will assist the Contractor in this challenge and ensure ongoing contract value for the State.

During 2010/11, Serco (Acacia Prison) implemented Phase I of the Custodial Management System (CMS) project. This has seen the installation of twenty-five Kiosks throughout the facility. The Kiosks will allow prisoners to order meals, schedule activities, and manage spending from their personal funds. The system will reduce costs and improve efficiencies in the management of the facility, while also supporting the Responsible Prisoner model. Phase II will allow for an interface with the Department's Total Offender Management Solution (TOMS) system. This will potentially identify opportunities for the improvement of prisoner Information Technology systems across the entire prison network.

The Acacia Prison Expansion Project commenced, following the announcement by Government in May 2009 that it would allocate \$655 million for the delivery of an additional 2,601 prisoner beds to address overcrowding within the WA prison system. Of this number, 387 will be added to Acacia Prison, along with the associated infrastructure required to meet the needs of the increase in population. On completion of the project, Acacia Prison will have the capacity to accommodate 1,400 prisoners.

During this reporting period, the Office of the Inspector of Custodial Services undertook its fourth inspection of the facility, and its second under Serco's management. The report was favourable in its appraisal of the Department's management of the contract and Serco's operations at the facility, noting that *"without doubt Acacia Prison is one of the best performing prisons in Western Australia, if not the best and it is also providing financial savings to the State"*.

In addition to the aforementioned expansion, the novation of the maintenance contract is also being considered. With a new Manager heading the Department's Acacia Prison Contract Management Branch, the 2011/2012 period will see opportunities to build on the excellent work undertaken to date, and the continuation of ensuring value for money for the State.

Ian Johnson
Commissioner

Executive Summary

Acacia Prison is Western Australia's only privately operated prison. The medium-security facility is located near Wooroloo, about 55km east of Perth, and was opened in 2001. The land and buildings are publicly owned.

The initial five-year contract was awarded to AIMS Corporation to operate the prison from 16 May 2001. The 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 Pty Ltd. The first of the two five-year extensions was awarded to Serco in May of this year.

Throughout the operational year 2010/2011, Serco (Acacia Prison) consistently provided quality services and value for money to the State. The Contractor achieved a daily costs per prisoner of more than 30% below that of the State's public prisons; \$182.00 per day as opposed to a State cost of \$270.00. As noted in the recent Office of the Inspector of Custodial Services (OICS) Report (November 2010), *"corporate profits and savings to the state/taxpayer are not being achieved at the cost of service delivery at Acacia Prison"*.

This year has seen a number of key achievements, including:

- Implementation of Phase I of the Custodial Management System (CMS) and Kiosk system, partially funded through the Innovation Bonus.
- The formation of the Acacia Prison Expansion Project to progress the construction of an additional 387 beds and supporting infrastructure. And the creation of a project team to consider the viability of novating the Acacia Prison Maintenance Agreement.
- The first of two five-year options to extend the contract awarded to Serco Australia Pty Ltd in May 2011.
- The recruitment of a new Manager to the Acacia Contract Management Branch.
- The piloting of a drug and alcohol program for Indigenous prisoners titled Strong Spirit Strong Mind / Bega Gunpirringu, developed in conjunction with the Drug and Alcohol Office (DAO).
- The hosting of a number of cultural events and celebrations including NAIDOC week, ANZAC Day, Chinese New Year, Moon Cake Festival, Eid al-Fitr, Waitangi Day, and Sorry Times.
- A successful OICS Inspection that acknowledged the *"highly professional and extremely competent"* role of the Acacia Contract Management Branch. The Inspection also noted that *"corporate profits and savings to the state/taxpayer are not being achieved at the cost of service delivery. Acacia's performance is at least equal to the best public sector prisons in the State and in many respects it is superior"*.

While there were no major disturbances or escapes from Acacia Prison during the year, an increase in the number of prisoners gaining access to rooftops afforded the opportunity to review the current infrastructure and implement a

number of modifications to the design. This will reduce the risk of this issue re-occurring.

This Annual Report is divided into the following five sections:

Section One. Offering Value – will comment on those areas of the contract where the State can obtain value for money in the expenditure of public funds.

Section Two. Quality Services – will focus on the range and quality of services provided by the Contractor and their performance against key performance measures.

Section Three. Transparent and Accountable Operations – will provide an account of the probity, accountability and transparency in procurement operations.

Section Four. System-wide Learning – will look at a number of initiatives developed by the Contractor and their applicability to the State's public prisons.

Section Five. Future Initiatives: The Year Ahead – will look to the year ahead and potential opportunities for improvement in the governance and management of the contract.

Section 1. Offering Value

1.1 Contract Payment

Schedule 2 of the Contract outlines the structure for contract payments. Monthly payments are calculated on the Daily Average Population (DAP) of the facility per month. Five percent of the monthly fee is withheld as a Performance Linked Fee (PLF) and, at the end of the operating year, a calculation is made by the Department as to how much of this fee is payable to the Contractor. In 2010/2011, Serco (Acacia Prison) received a PLF of \$2,164,362.26.

The table below identifies the daily average prison population for the period 2010/2011, during which the prison population remained relatively stable with a mean average for the year of 986 individuals.

Daily Average Population 2010/2011				
Month	Indigenous	Indigenous % of Total DAP	Non Indigenous	Total DAP
July	376	37.75	620	996
August	364	36.76	626	990
September	371	37.78	611	982
October	375	38.14	608	983
November	371	37.62	615	986
December	370	37.52	616	986
January	367	37.18	620	987
February	378	38.06	615	993
March	381	38.40	611	992
April	373	37.79	614	987
May	372	37.68	615	987
June	370	37.37	620	990

1.2 Innovation Bonus

The Innovation Bonus is intended to encourage the Contractor to consider new and creative ways of providing services that have the effect, or potential effect of decreasing the cost of service provision; and, improving the operations or management of the Prison.

Five percent of the total PLF is set aside for innovations, with the maximum amount payable by the State in any one Operation Year not exceeding \$250,000. A condition of expenditure against the Innovation Bonus is that innovation should be transferable to other prisons operated by or on behalf of the State, or to the State's criminal justice system¹.

In 2009/2010, Serco (Acacia Prison) submitted a proposal for the phased introduction of the Custodial Management System (CMS). The Department endorsed funding through the Innovation Bonus over a three-year period. Phase I of the project was achieved this year with the introduction of 25 Kiosks throughout the prison. The Kiosks link with other departments within

¹ Acacia Prison Service Agreement, clause 15.2

the prison and enable prisoners to better manage their transactions from shop purchases to meal planning, keeping up to date with notices, and enrolling in programs. Work on Phase II and III will commence in the 2011/2012 period.

In the 2010/2011 reporting period, Serco (Acacia Prison) secured the full \$250,000 of the Innovation Bonus fee.

1.3 Cost Comparisons

Current calculations of the daily cost per prisoner, as reported to the Justice Standing Committee (September, 2010), are \$270.00 (or \$98,550.00 per year) for prisoners in the State's care. This compares with a total daily prisoner cost for Acacia Prison of \$182.00 (or \$66,430 per annum), which is more than 30% less than that of the average public prison.

While these costs, which are inclusive of contract management services, indicate a very real potential saving to the State, consideration needs to be given to the effectiveness of the services provided. Analysing and comparing the costs of private versus public prisons is, however, problematic. How costs are calculated, the type and location of the facilities, and the number of prisoners, all may affect the result of the comparison.

1.4 Prison Industry Payments

The Contractor is required to pay the State an amount equal to 10% of all Gross Prison Industry Revenue. This amount is calculated and paid by the Contractor for each 6 month period of the operational year. For the period 2010/2011 the payment amounted to \$70,516.40. Serco (Acacia Prison) re-invested the sum back into prisoner industries to purchase items such as mig welders, a sheet metal bender, and a new spray painting system. The purchases allowed for greater productivity and engagement of prisoners in meaningful activities.

1.5 Maintenance Work

During this reporting period, approximately \$1,000,000 was expended on major welfare and security infrastructure works by the Maintenance Contractor, Sodexo (Remote Sites). Projects included:

- CCTV and Cell Call IT infrastructure replacement
- upgrade of the gymnasium floor
- replacement of 20 Heating, Ventilation and Air Conditioning units
- replacement of commercial cooking appliances in main kitchen
- new macerator to the Waste Water Treatment Plant and
- repairs to the main generator.

Negotiations to novate the maintenance contract commenced this year between the Department, the Maintenance Contractor Sodexo (Remote Sites) and Serco (Acacia Prison). Final resolution is currently scheduled for late 2011.

Section 2. Quality Services

2.1 Operational Performance against the Performance Link Fee (PLF)

The performance of Acacia Prison is assessed against specified contractual measures. The Department of Corrective Services carefully verifies information and statistics provided by the Contractor and scrutinises all data prior to ascertaining, and paying, the Performance Linked Fee.

Performance Measure	Target (To Achieve 100% Of PLF)	Outcome
Safety And Decency In Custody		
PM1. The number of serious assaults on staff, prisoners and others as a proportion of the prison population band.	For there to be fewer than 6 serious assault victims in any one month for a prison population band between 901-1000.	Achieved
PM2. The number of prisoners committing an act of serious self harm (including attempted suicide) as a proportion of the prison population band.	For there to be fewer than 6 serious self harm incidents in any one month for a prison population band between 901-1000.	Achieved
Offender Management And Interventions		
PM3. The % of incident reports completed accurately in accordance with requirements.	For 95-100% of sampled reports to be accurate.	Partially Achieved
PM4. The % of random urine sample tests identifying a positive urine sample result.	Rate of positive urine sample tests to be below 10%.	Achieved
PM6. Prisoners' sentence planning documents are reviewed in accordance with their scheduled review date.	Rate of correctly completed documentation to be greater than 95%.	Achieved
PM7. The % of prisoners whose program requirements approved in the Individual Management Plan (IMP) are delivered as scheduled.	Greater than 95% compliance.	Achieved
PM11. The % of prisoners involved in a structured activity.	Greater than 90% of prisoners are engaged in a structured activity for no less than 30 hours per week.	Partially Achieved
PM12. The % of the Aboriginal prisoner population receiving Aboriginal specific health education.	Greater than 90% of the prison population band.	Achieved
Pathways To Reducing Offending		
PM8. The % of prisoners whose education and traineeship requirements, as approved in their IMP, are delivered as scheduled.	Greater than 95% compliance.	Achieved
PM9. Management of social visits that assist the prisoner with re-entry to the community.	Visits between the prisoner, family, friends, prospective employer, community financial agencies and any other relevant group should occur in excess 95% of the prison population band.	Achieved
Corporate		
PM5. The % of agreed Custodial Officers.	Greater than 90% of the Custodial Officers are available to provide minimum prison services.	Achieved
PM10. All grievances are processed in accordance with approved processes.	Over 95% of prisoner grievances are processed correctly.	Partially Achieved

In 2010/2011, all but three performance targets were achieved by the Contractor. Performance Measure 3 received partial payment on three occasions as a result of inaccurate incident reporting. Only partial payment was allocated for Performance Measure 10 on two occasions, with no payments awarded in August and November 2010 due to rates falling below the 90% target required for payment.

While the Office of the Inspector of Custodial Services noted in its report² that the facility delivers “*high quality services*”, Serco (Acacia Prison) continues to struggle to meet the 30 hours structured activity per week requirement of Performance Measure 11. As a result, the Contractor received only partial payment for the year. A number of factors have contributed to the sub-optimal performance against of this Performance Measure, including:

- a disparity between the needs of a larger prison population and the availability of infrastructure to support those needs
- the voluntary nature of prisoner work and
- the use of traditional models of employment that focus on manual industrial work rather than other forms of structured activity.

Performance Measures 2010/2011												
Performance Linked Measures	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11
1) N° of serious assaults each operation year.	0	0	0	0	0	0	1	0	0	0	3	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	1	0	1
3) The % of incident reports completed accurately in accordance with the prescribed process in Policy Directive 41.	96.26	96.09	97.58	100.00	100.00	100.00	100.00	100.00	90.11	96.30	96.97	94.85
4) The % of random urine sample tests identifying a positive urine sample test result.	4.00	6.12	8.16	6.12	6.12	2.04	16.33	4.00	4.00	4.08	6.25	6.00
5) The % of agreed staffing levels	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
6) The % of prisoner sentence planning documents reviewed in accordance with their scheduled review date, and in accordance with DGR 18.	100.00	100.00	100.00	100.00	100.00	99.28	100.00	100.00	100.00	100.00	100.00	100.00
7) The % of prisoners to whom program requirements, as approved in the prisoner's IMP, are delivered as scheduled.	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
8) The % of prisoners to whom education and traineeship requirements, as approved in the IMP, are delivered as scheduled.	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
9) The % of social visits managed in accordance with the requirements of DGR 7.	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
10) The % of prisoner grievances managed in accordance with the approved process.	100.00	75.00	100.00	100.00	83.33	100.00	100.00	100.00	94.12	100.00	100.00	94.44
11) The % of prisoners in structured activity for no less than 30 hours per week.	92.00	76.00	87.76	81.63	75.51	75.51	71.43	82.00	83.67	70.00	82.00	66.00
12) The % of the Aboriginal prisoner population at Acacia, who have received Aboriginal specific health education.	76.92	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	95.74

² Office of the Inspector of Custodial Services. Report of an Announced Inspection of Acacia Prison. Report 71.

During the 2010/2011 reporting period, the Department worked closely with the Contractor to improve its performance against Performance Measure 11, with the following actions planned for 2011/2012:

During the 2010/2011 reporting period, the Department worked closely with the Contractor to improve its performance against Performance Measure 11, with the following actions planned for the coming year:

- the introduction of a revised 'structured day' that will increase the working week by an additional two hours per day
- a review of the Performance Measure to ensure it captures **all** meaningful work activities undertaken by prisoners, and is qualitative in nature
- additional infrastructure to assist with the delivery of services to an increased prisoner population.

Acacia Prison presents as the best prison health service in the State.³ Areas of particular strength include provision of a full-time doctor, dentist and dental nurse; a focus on services for Aboriginal prisoners including employment of an Aboriginal nurse; and, health promotion and education initiatives for prisoners.

The total number of Aboriginal prisoners accommodated within Acacia Prison is higher than any prison in Western Australia, with 240 Noongar prisoners, 64 Wongai prisoners and 70 Yamagee prisoners. A large proportion of these individuals are 'out of country'. In addressing the needs of these groups, the Contractor has developed a substance misuse program in conjunction with the Drug and Alcohol Office called Strong Spirit Strong Mind/Bega Gunpirringu. Working closely with community Elders, Serco (Acacia Prison) successfully commenced the pilot program earlier this year, 2011.

During this period, the Contractor has worked collaboratively with the Department to update and refine a number of its criminogenic programs such as the Domestic Violence program, the high intensity Violence program and the high intensity Addiction program. The facility performs well on program completion rates. For example, of the forty prisoners participating in the Think First Program between January 2011 and May 2011, 57% of participants completed the program successfully.

Education and training are critical for the successful rehabilitation of people in custody. This year the education centre issued 3,834 certificates in short vocational courses and certificates for educational programs. An average of 33% of the Acacia prisoner population was enrolled in some form of education or vocational training, with 89 external studies students studying full-time, and 20 external students studying part-time.

Serco (Acacia Prison) has been impressive in providing a range of activities and restorative justice programs to prisoners that 'value add' not only to the contract but also to the prisoners' experience at the facility. They have formed partnerships with thirty-five external agencies resulting in over 20,177 prisoner contacts this year. Examples of the programs available at Acacia Prison include:

- Sycamore Tree Project. This program allows groups of prisoners to meet with crime victims. Acacia Prison was the first prison in Australia

³ Office of the Inspector of Custodial Services. Report of an Announced Inspection of Acacia Prison. Report 71. March 2011. p xiii

to run this project and, over the years, a total of 147 prisoners have been involved in the process.

- Job Ready Project. A new initiative bringing together Serco (Acacia Prison), BIS Industries Ltd (BIS), and Chandler McLeod (human resources service provider). The program assists Indigenous prisoners gain and maintain employment after their release. During the reporting period, five Job Ready Projects were delivered, with 53 prisoners successfully completing the program.
- Recreational activities. Links are promoted between recreation and the medical centre within the prison. Exercise is encouraged through programs such as 'Old Boys' Training' and the 'Fit Club'.
- Design and construction of a fire trailer. Prisoner industries was approached by a riding group raising money for Cancer Research via a horseback trek to Kalgoorlie. As a result, the design and build of a trailer was undertaken and the finished product was donated.
- Live Works Program. Prison industries supported the Youth Team and Outcare Inc 'Live Works' Program by upgrading the Outcare program tandem box trailer. The total donated cost of the work was \$3,600.00
- The hosting of a number of cultural events and celebrations including NAIDOC week, Australia Day, ANZAC Day, Chinese New Year, Moon Cake Festival, Eid al-Fitr, Waitangi Day, and Sorry Times.
- Provision of a range of religious and spiritual services including:
 - Kairos Project. The group visited the prison, providing Christian fellowship to selected prisoners, and giving them access to community support networks.
 - Watoto Singers. The prison hosted a visiting choir from Uganda.

Section 3. Transparent and Accountable Operations

3.1 Contract Management

In January 2011, a new Contract Manager was appointed to the Department's Acacia Prison Contract Management Branch. The new management will continue the innovative approach of its predecessor, ensuring continual performance improvements, and value for money for the State.

The management of the Acacia Prison Contract continues to be unique within Australia in its use of on-site monitors. The Monitoring Team plays a key role in maintaining the delivery of quality services in line with contract requirements. Areas for monitoring are based on contractual requirements, legislation, and Departmental policies. The daily activities of the Contractor are appraised by the Monitoring Team to ensure performance is in accordance with contract requirements and Department expectations.

Compliance tests are undertaken in ten key areas of prison operations, with the scope to undertake Extraordinary Audits when required. In the year 2010/2011, a total of 365 Monitoring Reports were undertaken. Fifty-two Weekly Summary Reports were submitted and Weekly Reports were provided to the Commissioner of the Department of Corrective Services on the prison's activities.

During this period, no more than six Extraordinary Audits were conducted. They were undertaken as a result of concerns with operational matters pertaining to prison security and prisoner entitlements. The Audits provided assurance to the Department that contract requirements were adhered to and that the security of the prison and safety of staff, prisoners and the public, were maintained.

In a three month period up until June 2011, the following Process Audits were undertaken:

- Psychological Services
- Prison Intelligence and Mandatory reporting
- Prisoner Grievances
- Prisoner Information and Records
- Case Management and Sentence Management Plans
- Use of Force and Mechanical restraints
- Training and Development
- Pharmacotherapy
- Induction and Orientation Non Custodial
- Prisoner Property.

3.2 Performance Improvement Requests

Performance Improvement Requests (PIRs) are used as a tool when it is felt the Contractor has breached a Contract requirement, or failed to meet an Agreement standard, as a result, *“the State may request the Contractor to improve its performance of the Services, including by implementing a better or alternative method of performing the Services”*.⁴

In the period 2010/2011, the Contractor was issued with two PIRs. Both related to the accuracy and timeliness of reporting prisoner incidents in accordance with Departmental requirements. In both instances, Serco (Acacia Prison) was required to provide action plans identifying how the lapses would be addressed and rectified. The action plans have been subject to ongoing review and monitoring by the Contract Management Branch.

3.3 Critical Incidents

Since commencing the Acacia Contract in May 2006, the Contractor has had to deal with nine roof top incidents; seven of which occurred during this reporting period. Most incidents were opportunistic in nature, however, in each event the integrity of the perimeter fence remained uncompromised.

The anomaly experienced in this reporting period resulted in a program of works to incorporate access barriers to high risk areas. At the same time, the Contractor was required to review their security procedures to ensure greater emphasis on maintaining the integrity of prison security.

3.4 Independent Reviews

Serco's operations at Acacia Prison are subject to a number of reviews by external agencies. These include:

3.4.1 The Office of the Inspector of Custodial Services (OICS)

In the period 2010/2011, the Office of the Inspector of Custodial Services undertook their fourth inspection of the facility, and their second under Serco's management. The inspection report noted that, *“The contractual framework for the delivery of prison services at Acacia is strong, and includes performance measures and performance-linked fees. Close scrutiny from both this Office and the Department's contract management team and on-site monitors ensures a high level of accountability”*.⁵

The inspection resulted in eight recommendations which were either 'Supported by the Department', 'Supported in Principle', or 'Noted'. The recommendations were as follows:

- a) Supported as an Existing Departmental Initiative:
 - finalise new maintenance contract
 - develop improved processes for recognising innovation
 - develop the role of the Indigenous Advisory Board
 - increase the delivery of offender treatment programs

⁴ Acacia Prison Service Agreement

⁵ Office of the Inspector of Custodial Services. Report of an Announced Inspection of Acacia Prison. Report 71. March 2011. p viii

- b) Supported:
- develop and implement qualitative performance measures for case management
 - provide feedback, support and professional development to case management officers
 - evaluate the performance measures and examine the feasibility of applying such measures throughout the Prison.
- c) Supported in Principle:
- develop, test and evaluate innovative offender treatment programs
 - ensure prisoners have sufficient access to computers and electronic resources
 - provide each prisoner with 30 hours constructive activity per week.
- d) Noted:
- provide minimum security prisoners with access to appropriate programs.

3.4.2 Independent Visitors Scheme (IVS)

The IVS is managed by the Office of the Inspector of Custodial Services. It is an independent form of external scrutiny that monitors the standards of treatment and services in Western Australian prisons.

During the 2010/2011 period, the IVS undertook 11 visits to Acacia Prison. Issues raised by prisoners ranged from access to prisoner property, cell temperatures, to allegations of bullying between prisoners.

3.4.3 Aboriginal Visitors Scheme (AVS)

The AVS is a State-wide service, funded by the Department and provided to all prisoners in Western Australia.

During the 2010/2011 period, the AVS attended Acacia Prison on approximately 144 occasions, resulting in some 1,248 Aboriginal contacts. A common theme of the contacts was the resolution of domestic matters, and assisting with matters resulting from a death in the family.

3.4.4 Quality Assurance Audit

In March 2011, the Department's Contracted Services Directorate was subject to its third triennial quality assurance audit by SAI Global. The Acacia Contract Branch has held its Quality Assurance Certification since 2002, a certification awarded under International and Australian standard AS/NZS ISO 9001.

The objective of the audit was to review a range of System Management requirements that assisted in the effective management of the Contract. The Acacia Contract Branch met the required standard for continued certification. Serco (Acacia Prison) also achieved re-certification of ISO 9001:2008 by SAI Global during their second triennial audit.⁶

⁶ Serco Australia Pty Ltd. Acacia Prison Annual Report 2011

3.4.5 KPMG Audit

The Contractor underwent an internal KPMG audit in November 2010, which examined policies and procedures around Governance, Business Operations, Finance and People Management. The audit findings were shared with the Department and demonstrated that Serco (Acacia Prison) achieved a *“satisfactory rating, which represents an assessment of a control environment that is satisfactory and supports meeting management’s objectives”*.⁷

3.5 Staff Culture

In 2007, the Department sponsored, through the Innovation Bonus, engagement with Modal Pty Ltd⁸ to measure and embark on an organisational process to shape and improve the culture of Acacia Prison. In November 2010, the Contractor undertook a re-measure of their culture assessment with Modal Pty Ltd, which saw a 10.2% transformational shift with the most significant improvements recorded in the following areas:

- Role clarity - staff now have greater clarity regarding what is expected of them
- Organisational quality - staff felt Acacia was now doing a better job
- External adaptability - Acacia is now responding better to changes in environment and
- Intention to stay – staff felt more committed to Acacia Prison.

The Contractor attained a staff retention figure of 86% during this reporting period, a figure broadly consistent with that of the previous year.

⁷ ibid

⁸ ibid.

Section 4. System-Wide Learning

4.1 Custodial Management System (CMS)

In February 2011, Serco (Acacia Prison) commenced the new Custodial Management and Kiosk System, with 25 being located throughout the prison. Using a combination of PIN input and biometric scanning, prisoners are able to securely access their own details, manage their money, and find answers to frequently asked questions.

Acacia Prison remains the only prison in Australia to use technology in this way, and the Department will be monitoring its implementation to determine whether such opportunities exist for the State's other prison facilities.

4.2 Skype

Serco (Acacia Prison) introduced Skype technology in November 2010, and intends expanding its suite of machines to meet the requirements of the 387 Bed Expansion Project. To date, the technology has been used successfully to assist prisoners attend the following events:

- funerals
- hospital 'visits' after the birth of a prisoner's child
- links to nursing homes to meet with elderly family members and
- Christmas Day 'visits'.

The technology is predominantly accessed by foreign national prisoners, especially those from Europe and South America. Due to the lack of Skype equipment in remote regional locations, only a small number of Indigenous offenders have accessed the technology. However, contact is maintained where possible, through Video link to a Community Centre in outlying regions.

4.3 Absenteeism

This year the Contractor introduced the Attendance Management Policy aimed at reducing staff absenteeism. The policy incorporates a staff welfare program designed to show care and support to absent staff, both while they are away from work and upon their return. The purpose of the initiative is to assist management understand the needs of staff and better support them, thus reducing the rate of daily absences. Since the policy's introduction in July 2010, the incidence of sick leave has dropped substantially and remained low.

4.4 Sustainability⁹

In March 2011, the Office of the Inspector of Custodial Services reported that:

"...Acacia sets a benchmark for the public prisons in the area of environmental sustainability ... sustainable initiatives are developed and implemented not only based upon the direct benefit to the environment but also upon the potential rehabilitative and reparative benefits to prisoners and community alike".¹⁰

⁹ Serco Australia Pty Ltd. Acacia Prison Annual Report 2011.

¹⁰ Office of the Inspector of Custodial Services. Report of an Announced Inspection of Acacia Prison. Report 71. March 2011. p20

Serco (Acacia Prison) employs 65 prisoners in a range of activities that promote environmental sustainability. These include permaculture and recycling initiatives. The prison gardens provide a sustainable food source for use within the facility. The conversion of the prison's seedling nursery to hydroponics has been another strategic step to reducing water usage within the horticulture area.

Recycling is employed, and Ozone System technology has been installed in the laundry, reducing both water and energy consumption. Over the year, 2 million litres of water have been saved, representing a cost reduction of \$3,000.00 for the prison.

Composting has resulted in a monthly reduction of 27 tonnes of organic waste going to landfill. Food waste is used as feed for the prison's free-range hens, who lay over 60 dozen eggs per week that are used to enhance the prisoners' diet.

Cans, cardboard and paper are collected for the Ruggies Foundation. As a result, \$2,138.00 was raised this year, and donated to Princess Margaret Children's Hospital.

With a view to developing benchmarks against which to develop reduction techniques and strategies, the Contractor has engaged outside consultants to measure their utility consumption and identify opportunities for future savings.

Section 5. Future Initiatives: The Year Ahead

5.1 Although the Acacia Prison Contract has been operating for 10 years, there still remain opportunities for the State to benefit from quality cost-effective services.

Key Areas of Focus

Some of the initiatives and challenges for 2011/2012 include:

- Acacia Prison Expansion Project. \$655 million dollars has been allocated for the delivery of an additional 2,601 beds, to address overcrowding within the WA prison system.

Of the 2,601 beds, 387 will be added to Acacia Prison, along with the associated infrastructure required to meet the needs of the additional beds and increase in prisoner population. The aims of the project are:

- to provide additional metropolitan prison beds for the current prison population to reduce overcrowding in the system across the State, in accordance with the Department of Corrective Services Strategic Asset Plan
- to provide safe, secure and contemporary custodial services designed in a way that contributes to community safety and reduces recidivism and
- to improve the capacity of the prison system to provide interventions designed to meet the needs of the prisoner population.

The work will be carried out under a design and construct agreement. On completion of the project, Serco (Acacia Prison) will be able to accommodate a prisoner population of 1,400.

- Implementation of a new Core Day. In August 2010, Serco (Acacia Prison) undertook a review of their Core Day. A key focus of the review was the viability of extending prisoner employment to include weekends. The proposed changes provide employment opportunities for prisoners, while supporting planning for future population increases.

The revised model, implemented 1 August 2011, will increase the working day by 2 hours. By adopting this model, approximately 399 prisoners can be employed in the industries area on any working day. The ability of the new model to increase employment and vocational training opportunities will be monitored, with the intention of sharing learning with the public prisons.

- Review of the Maintenance Contract
In October 2009, the Treasurer requested the Department of Corrective Services investigate the 'interface risk' of the contractual arrangements involving the Acacia Prison Services Agreement and the Acacia Prison Maintenance Agreement.

As a result of reports to Parliament by the Office of the Inspector of Custodial Services (OICS), the then Treasurer requested of the Department: *“This interface risk should therefore be addressed and resolved as part of the move to expand the built bed capacity of the prison through an expansion program of works to deliver an additional 387 beds by 2013/14”*.

The Department has established a project team to review options and provide a recommendation to the Minister for Corrective Services. It is anticipated this work will be concluded by the end of 2011.

- A review of the existing Performance Linked Fee measures to ensure that the contract continues to deliver value for money for the State.
- Piloting of offender programs. Serco (Acacia Prison) is well placed to operate as a piloting site for a number of criminogenic programs. Research is taking place to determine a framework for the piloting of additional programs for sex offenders. Built into the framework will be an evaluation and monitoring component that will allow for the effectiveness of the programs in changing offender behaviour, to be measured.

Section 6. Conclusion

In summary, the Acacia Contract Management Branch has successfully overseen the activities of Serco (Acacia Prison) in its operations and management of the Acacia Prison, as per the requirements of the Acacia Prison Services Agreement contract.

Acacia Prison continues to set benchmarks for best practice in the WA prison system, managing to maintain high standards of prisoner care at costs more than 30% lower on average, than that of its public prison counterparts.

The frameworks and processes established by the Department in conjunction with the Contractor, which are continually monitored and upgraded, will ensure the challenges outlined in this report will be approached in an efficient and forward-looking manner. The primacy of ensuring both operational effectiveness and value for money for the State, will be blended with the need to deliver a prison service that is world class, **and** characterised by its efficacy and decency. These are the qualities exemplified by the Acacia Prison model, and demonstrated in the results outlined in this year’s Acacia Annual Report 2010/2011.