TO THE MINISTER

To the Hon Michelle Roberts
Minister for Justice


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

Alan Piper
Director General
30 September 2004
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FROM THE DIRECTOR GENERAL

In its third year of operation, Acacia Prison showed signs of stabilising under the leadership of a new general manager.

Prison management and staff have responded well to long-term challenges such as the need to improve program delivery and to better manage Aboriginal prisoners. The prison has also responded well to less predictable challenges such as the increase in the prison population and a massive bush fire which threatened both Wooroloo Prison Farm and Acacia Prison in February.

Improved planning and processes adopted at the prison were validated in June 2004 when Acacia Prison became the first in WA to be accredited with quality management system certification.

But while the appointment of David Nicholson to the position of general manager in June 2003 and the subsequent restructure and significant operational improvements are laudable, there are still deficits in service delivery that require immediate attention. There are still many challenges to be met in the year ahead.

In 2003/04, the Department commissioned a number of very useful reviews of Acacia Prison, which have given rise to recommendations across virtually every aspect of the prison’s operations. Prison management and staff must act upon these in the year ahead if it is to properly fulfil its contract – and its commitments to Government.

For the first time, the Department invited a team from Corrections Victoria to conduct the annual operational review of Acacia Prison. Their findings confirmed issues raised by the Department’s monitors including the detection of drugs in the prison and the availability of meaningful work and education and training opportunities for prisoners. AIMS Corporation will be penalised $211,598 of its performance-linked fee for deficits in these three areas.

Security also continues to be an area of concern at Acacia Prison, though there have been marked improvements in intelligence systems within the prison over the past year. Nonetheless, the Department remains keen to see the prison’s automated “smartcard” security system – which was to be a leading feature of security at the prison – operating efficiently and to its full potential.

Also, for the first time, the Department commissioned professional services consultants, SAI Global, to review the prison against the Australian business excellence framework addressing, for example, human resources and information technology issues.
Both the operational and SAI Global reviews raised concerns about the financial viability of AIMS Corporation, as has the Inspector of Custodial Services. In the context of contract renewal negotiations, the Department will complete a financial due diligence review in the year ahead which will properly examine the financial viability of AIMS Corporation and any risks faced by the Department.

This year, the Department also invited anthropologist Charlie Staples who was joined by Wongi elder, Gerald Porter, in a comprehensive review of services to the very significant number of prisoners at Acacia from the Ngaanyatjarra communities in the central desert.

The Department’s own education and vocational training unit undertook a very separate review of opportunities afforded prisoners at Acacia Prison. Once again, although there have been some positive initiatives including innovative industries and traineeships for some, the prison’s performance must improve more if it is to fulfil its contract commitments and achieve the best results for the prisoners and the wider community.

The challenge for AIMS Corporation, the management team and staff at Acacia Prison in the year ahead is to work to address the recommendations from each of these reviews simultaneously.

Improved performance in key areas such as prisoner employment, education and training and drug detection will give the Department the opportunity to transition its monitors to a position where they are truly monitoring rather than supervising the management of day-to-day operations of the prison.

This year, the Department restructured its monitoring function, moving it under the direct control of the Contract Management branch. This meant better analysis of trends at the Prison and better communication and resolution of performance issues.

The management of the Acacia Prison contract over the past year has been very sound. Nonetheless, the Department recognises that it too can improve its performance further in the year ahead – a year when important assessments of Acacia Prison’s performance and AIMS Corporation’s position must be made in preparation for the decision on whether or not to extend the contract.

As we move into the fourth year of the contract, the relationship between the Department and AIMS Corporation is probably the most productive it has been. This is thanks in part to a joint board of management of the contract that was established in August 2003. The board, which meets quarterly to review performance and is an important line of communication between the Department and AIMS Corporation, includes the Director General of the Department of Justice and the Chief Executive Officer of AIMS Corporation.

The prison’s operational plan developed during the year is another cause for increased confidence that shortfalls in performance have been identified and will continue to be addressed.
Acacia Prison has matured steadily during the year and is now operating at capacity with around 730 prisoners, more than 230 of whom are Aboriginal. In the year ahead, the Department will be looking for increases in its capability to manage those prisoners and achieve the productive, pro-social environment to which it aspires.

Alan Piper
DIRECTOR GENERAL
BACKGROUND

The Australian Integration Management Services Corporation Pty Ltd (AIMS Corporation) was awarded the contract to provide prison services at the State’s first privately operated prison, Acacia Prison, on 21 December 1999 and started delivery of prison services on 16 May 2001.

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, care and well-being, rehabilitation and reparation.

There are financial penalties for AIMS Corporation, should it fail to meet agreed benchmarks in each of the performance-linked fee measures covering the four cornerstones of prisoner management.

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

Prisons division, within the Department of Justice, manages the contract with AIMS Corporation.

Prisoner population

During 2003/2004, the average daily population increased, exceeding 700 for the last nine months of the year. The increase in the population is due mainly to the increase in the number of medium and minimum-security prisoners in the system and the lack of beds to accommodate these prisoners in other minimum-security prisons. There were 45 minimum-security prisoners at Acacia Prison at 31 May 2004 and 69 by September 30 2004.

At year end, the prisoner population was 729, and Aboriginal prisoners made up 30.9% of those prisoners. The percentage of Aboriginal prisoners was consistently above 25% throughout the year and more than 28% for eight months of the year.
Prisoner population 2003/04

<table>
<thead>
<tr>
<th>Month</th>
<th>Aboriginal</th>
<th>Percentage of Total ADP</th>
<th>Non-Aboriginal</th>
<th>Total ADP</th>
<th>Population on last working day of Month</th>
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<tr>
<td>Jun 03</td>
<td>198</td>
<td>29.0%</td>
<td>485</td>
<td>683</td>
<td>696</td>
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<td>193</td>
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<td>491</td>
<td>684</td>
<td>694</td>
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<tr>
<td>Aug 03</td>
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<td>26.1%</td>
<td>516</td>
<td>698</td>
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<tr>
<td>Sep 03</td>
<td>179</td>
<td>25.5%</td>
<td>523</td>
<td>702</td>
<td>730</td>
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<tr>
<td>Oct 03</td>
<td>179</td>
<td>25.0%</td>
<td>536</td>
<td>715</td>
<td>728</td>
</tr>
<tr>
<td>Nov 03</td>
<td>197</td>
<td>27.1%</td>
<td>531</td>
<td>728</td>
<td>727</td>
</tr>
<tr>
<td>Dec 03</td>
<td>207</td>
<td>28.4%</td>
<td>523</td>
<td>730</td>
<td>727</td>
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<tr>
<td>Jan 04</td>
<td>213</td>
<td>29.1%</td>
<td>518</td>
<td>731</td>
<td>730</td>
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<tr>
<td>Feb 04</td>
<td>217</td>
<td>29.7%</td>
<td>513</td>
<td>730</td>
<td>736</td>
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<tr>
<td>Mar 04</td>
<td>229</td>
<td>31.4%</td>
<td>500</td>
<td>729</td>
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<tr>
<td>Apr 04</td>
<td>234</td>
<td>32.0%</td>
<td>497</td>
<td>731</td>
<td>735</td>
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<td>May 04</td>
<td>224</td>
<td>30.9%</td>
<td>502</td>
<td>726</td>
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* ADP is average daily population

Prisoner population – comparative figures 2001/02 – 2003/04

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<td>June</td>
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<td>652</td>
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<tr>
<td>July</td>
<td>87</td>
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<td>May</td>
<td>652</td>
<td>684</td>
<td>726</td>
<td>651</td>
<td>684</td>
<td>729</td>
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</table>

* ADP is average daily population
Staffing
At 31 May 2004, a total of 241 staff, including management, was employed at Acacia Prison compared with 272 on 31 May of the previous year.

Staff classification (Figures quoted as of the last day in May)

<table>
<thead>
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<tr>
<td>Custodial staff</td>
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<tr>
<td>Case management officers</td>
<td>63</td>
<td>64</td>
<td>62</td>
</tr>
<tr>
<td>Security staff</td>
<td>53</td>
<td>63</td>
<td>62</td>
</tr>
<tr>
<td>Casual staff</td>
<td>31</td>
<td>30</td>
<td>41</td>
</tr>
<tr>
<td>Supervisors</td>
<td>11</td>
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<td>13</td>
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<tr>
<td>Total custodial</td>
<td>158</td>
<td>168</td>
<td>178</td>
</tr>
<tr>
<td>Non-custodial staff</td>
<td></td>
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<tr>
<td>Management</td>
<td>7</td>
<td>5</td>
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<tr>
<td>Admin/Medical staff</td>
<td>30</td>
<td>26</td>
<td>24</td>
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<tr>
<td>Support/Industries</td>
<td>21</td>
<td>18</td>
<td>8</td>
</tr>
<tr>
<td>Casual staff</td>
<td>11</td>
<td>24</td>
<td>0</td>
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<tr>
<td>Education/Program</td>
<td>19</td>
<td>24</td>
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<tr>
<td>Operations management</td>
<td>3</td>
<td>7</td>
<td>4</td>
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<tr>
<td>Total non-custodial</td>
<td>91</td>
<td>104</td>
<td>67</td>
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<tr>
<td>TOTAL STAFFING</td>
<td>249</td>
<td>272</td>
<td>241</td>
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The very significant fall in non-custodial staff numbers is due mainly to the employment of permanent rather than casual nursing staff.

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).

The recruitment of women and Aboriginal staff remains a high priority and while Acacia Prison has been able to attract and employ more female staff, it has not been so successful in attracting Aboriginal employees. New staff appointed during the year included an Indigenous recruitment coordinator.

Registered training organisation
Acacia Prison is a registered training organisation (RTO) and delivers educational courses and vocational training to staff and prisoners, trading as Avon Valley Educational Training Services. The RTO was audited during the year and registered until September 2008.
**Industrial action**

A new Acacia Prison Enterprise Bargaining Agreement was registered in November 2003.

In the months following its registration, there was an ongoing campaign of industrial action at Acacia Prison over issues relating to sick leave, holidays, health, safety and staffing levels. The action escalated from March 2004 and took a variety of forms including stop work meetings and work-to-rule action in relation to prisoner unlocks. The stop work meetings and the possibility of a staff walk out, in particular, have had some impact on the prisoner regimes.

At year end, the issues had not been resolved and industrial unrest was still a threat.

**Leadership**

Acacia Prison’s performance improved considerably during the year, due largely to the appointment of David Nicholson as the new general manager in June 2003.

He quickly set about creating a revitalisation plan for the prison operations and there has been a tangible effect filtering down to staff at every level and the daily prison operations.

Staff morale appeared to improve and weekly reports indicated a greater level of staff and prisoner interaction, important in achieving a pro-social approach to prison management.

A strategic human resources group was formed in November 2003 and a Joint Consultative Committee, Occupational Health Committee and Workforce Planning Committee were also established.

**New board**

A joint board of management of the contract including the Director General of the Department of Justice and the Chief Executive Officer of AIMS Corporation was established in August 2003 and met quarterly to review performance and facilitate an improved relationship between the Department and AIMS Corporation.

**Planning process**

An operational plan was developed, which articulated AIMS Corporation’s response to issues raised by the Department and external and internal monitors, and was reported against at board meetings and other meetings with the Department.

The new plan became operational from December 2003 and integrated inputs from all stakeholders relating to Acacia Prison’s performance including:

- AIMS Corporation and Sodexho company objectives;
- contractual requirements;
- contractual information;
- Department of Justice Prisons Business Plan strategies; and
- requirements of other stakeholders such as the Office of the Inspector of Custodial Services, Ombudsman, WA Police Service and the Environmental Protection Authority.
Annual review
A three-tier annual review process was used to monitor and assess Acacia Prison’s performance in 2003/04.

The review process included:
- specialist reviews using industry or Department of Justice standards in the areas of health, education, programs and maintenance;
- a peer review by another state jurisdiction against the four cornerstones and the performance-linked fee was conducted in July 2004 and covered the reporting period 1 June 2003-31 May 2004; and
- a management review using the Australian Business Excellence Framework. Agreement on a two-year contract with SAI Global was completed during the year and the first review will be completed in July 2004.

Specialist reviews
There have been four specialist reviews during the year covering:
- education (see page 29);
- programs (see page 27);
- Aboriginal services (see page 25); and
- maintenance (see page 14).

Peer review
As part of the annual review process for Acacia Prison, the Department invited representatives from Corrections Victoria to conduct an operational review of the prison starting on 31 May 2004.

A combined team from Corrections Victoria and the Department completed a five-day onsite operational review and found the prison was meeting most of the measurable outcomes prescribed in the Services Agreement within a relaxed and positive environment that is underpinned by good staff culture and commitment.

It also raised a number of issues to which AIMS Corporation and the Department are responding in the year ahead.

Positive findings included:
- Acacia Prison was meeting important performance measures relating to escape, deaths from unnatural causes and major loss of control;
- AIMS Corporation had received full performance-linked fees for seven out of ten performance measures and part payment for a further two;
- the prison environment was relaxed with little evidence of tension between staff and prisoners;
- staff and prisoner interactions exhibit appropriate pro-social examples which form an important part of the prison’s philosophy; and
- staff culture and commitment is a major strength of the prison and was evident despite recent prolonged industrial action through March and April 2004 arising from enterprise bargaining agreement negotiations.
The review also found several areas where improvements are required to meet the contractual requirements of the Service Level Agreement and to achieve the stated philosophical outcomes of Acacia Prison.

It also found more serious issues “to the extent they pose a risk to the Department of Justice and AIMS Corporation in terms of the longer term viability of the contract”.

The review teams raised concerns about the following matters:

• the financial strength of AIMS Corporation and the risks that may present, particularly in terms of the five-year leases taken out on the smart card system and IT hardware;
• the operational efficiency and effectiveness of the Secure Transaction Environment Prison System which is not working as intended. It is not reliable in that it does not give an accurate record of where prisoners, staff or visitors are at any given time and is also frequently out of order and needs repairs;
• the prison is not meeting its intended operating philosophy. Purposeful interactions between staff and prisoners are inhibited by limitations in the design of the prison. In particular, officers frequently operate from behind glass enclosures and prisoners are not free to move around the prison as they wish;
• there are inadequate strategies or penalties to address issues arising from non-compliance with the service agreement;
• the role of onsite monitors should be reviewed so that it includes an obligation to ensure issues of under performance and non-compliance with contractual requirements are dealt with promptly between the Department and AIMS Corporation;
• the response to Aboriginal prisoners needs improvement, including addressing:
  - the low number of Aboriginal staff employed relative to the number of Aboriginal prisoners;
  - the under-utilisation of facilities dedicated to use by Aboriginal prisoners;
  - difficulties experienced by the Wongi in the custodial environment;
  - under-representation of Aboriginal prisoners in work and in the higher levels of accommodation; and
  - the Nyoongah Alcohol Substance Abuse Program occurring too infrequently to meet demand.
• the process of releasing prisoners into the community with little or no money, heightening the risk of re-offending. In May 2004, 25% of prisoners discharged had no money at all and a further 23% were released with less than $20.
• the poor results of the Healthy Prisons survey which provides a useful insight into how staff and prisoners feel about the prison environment and prison management.

The Department will help Acacia Prison’s management to develop and implement action plans to address these issues in the year ahead.
The issue of prisoners being released with little or no money will be addressed by system-wide re-entry strategies being introduced. Prisoners in WA are not forced to save money while in prison, however, support is available to them upon release.

Management review
For the first time, a management review was conducted against the Australian Business Excellence framework. SAI Global was formally contracted in July 2004 to undertake the review which establishes a benchmark for assessing improvement in the years ahead.

SAI Global reported that the relationship between Acacia Prison and the Department of Justice had improved considerably during the year but noted that the relationship could again come under pressure if some of the key issues highlighted by it were not addressed soon.

The report detailed Acacia Prison’s strengths and opportunities across a range of management areas. In particular, SAI Global found:

- Acacia Prison was in “stabilisation” mode, with a top-down approach to planning and decision-making;
- Acacia Prison needs to develop a more strategic approach to secure the long-term future of its contract;
- decision-making on operational matters was seen as slow by many staff; and
- there were inherent problems in the technology and human resources areas, with impacts on morale and staff’s ability to do their jobs.

The three key strategic issues identified were:

- the need for all parties to the contract to make their expectations clear;
- define the strategic direction and investment criteria for Acacia Prison; and
- enable management to develop a new culture of prison management.

The Department will help Acacia Prison’s management to develop and implement action plans to address these issues in the year ahead.

Maintenance review
A review of prison maintenance was conducted in May 2004. Areas such as the kitchen, roads, environment, security and fire services, buildings and infrastructure, electrical and mechanical systems were all examined and assessed.

The major issue raised by the review was the lack of planned maintenance programs for the assets. Unplanned maintenance items were usually undertaken within acceptable timeframes.

In particular, the review found:

- the security and safety systems are not generally being maintained in an acceptable condition;
- general and closed-circuit television monitors are in poor condition;
- cells and general intercom systems are in poor condition; and
- kitchen equipment is not maintained in an acceptable manner.
These matters were all remedied and effective programmed maintenance in the year ahead should ensure the standards do not fall below acceptable levels.

The Department will also ensure that the level of preventative maintenance is increased to an appropriate level.

**Onsite monitoring**

Acacia Prison’s performance was rigorously monitored in this third year of operation by the Department’s Custodial Contracts branch. The monitoring has been undertaken by an onsite monitoring services team of three, operating seven days a week, and the head office-based Contract Management branch.

In December 2003, changes were made to the monitoring process and the on-site monitors started to report directly to the contract manager. This has resulted in better integration of the monitoring and contract management functions providing a more holistic service in ensuring contract compliance and service delivery.

The onsite monitoring system operates to an approved Monitoring Plan which is quality accredited to AS/NZS ISO 9001:2000 and is considered to meet industry best practice.

A best practice manual for Acacia Prison was developed during the year and the manual clearly documents the required standards.

The Peer Review found Acacia Prison was “over monitored” and in the year ahead the Department is keen to see the role of the monitors shift from monitoring and reporting to performance auditing, trend analysis and improvement. This transition is made possible by the prison’s improved performance.

**Inspector of Custodial Services**

An announced inspection of Acacia Prison by the Office of the Inspector of Custodial Services was carried out in March 2003 and a report tabled in Parliament in November 2003.

The report was critical of both the contractor’s service delivery and the Department’s management of the contract. There were 33 recommendations dealing with improving contract management, monitoring and compliance; financial controls; program delivery; services to Aboriginal prisoners; risk management; staffing; emergency response; disciplinary and grievance procedures, health services and re-entry strategies.

By 31 May 2004, 20 of the 33 recommendations had been fully addressed, with the remaining 13 being progressed or reviewed. It is the Department’s intention to work through the remaining recommendations in the year ahead. The shortage of bedspace in regional prisons will have an impact on Acacia Prison. Where possible, prisoners transferred to Acacia from places like the Eastern Goldfields are returned to the prison on a rotational basis to accommodate family contact and visits.
Other recommendations reflected the need for additional medical services at Acacia Prison, including the extension of psychiatric services. Both general practitioner and psychiatric services have been increased and are provided by way of a separate contract established through the Department of Justice’s Health Services branch.

In the year ahead, the Department will appoint a consultant to review the current performance-linked fee measures. The aim of the review is to more closely align these measures with the original Request for Proposal and the Acacia Prison Service Level Agreement.

**Other official visitors**
Other visitors to the prison during the year included a delegation from the Department of Justice in Japan in January 2004. Japan is about to build its first private prison and chose Acacia Prison and the WA Department of Justice to discuss issues relating to building and operating of a privately run prison.

Other groups that visited on a regular basis included Aboriginal elders, Aboriginal Visitor’s Scheme, the Deaths in Custody Watch Committee members and the Prison Reform Group.

**Fire emergency**
A serious bush fire threatened Acacia Prison on 3 February 2004 and prison management responded swiftly and appropriately.

There were 727 prisoners and more than 120 staff on site at the time of the fire, which burnt cars in the staff car park and set off smaller fires inside the perimeter with some limited damage to buildings.

Acacia Prison staff worked closely with the Department, the WA Fire and Emergency Services Authority and with staff from nearby Wooroloo Prison Farm, which was also threatened by the fire. Both prisons were in danger of requiring evacuation and their emergency response plans were well-tested.

Acacia Prison management was praised for its handling of the emergency, recognising that protecting the prison from loss of life or serious damage to infrastructure was a major achievement for the new general manager and his team.

Following the fire, a “Lessons Learnt” workshop was held and an action plan developed. A joint review of the fire event, including recommendations, was conducted by the Department of Justice and Fire and Emergency Services Authority. The review led to the development of a Memorandum of Understanding that documents the protocols for even better management of similar emergencies and was signed in July 2004.

**Working with the community**
Acacia Prison has established and maintained a number of links with external professionals and the community, including the Acacia Industry Reference Group
which met monthly. The reference group is a strong body for reparative links with the community, responsible for developing of several community projects.

Acacia Prison industries has worked during the year to help local fire brigades; scouts; guides; local schools and other charities. Donations of furniture made by the prisoners working in the industries workshops were made to the former Mogumber Mission, the Sawyers Valley Primary School and the Bakers Hill Progress Association.

A charity committee was formed during the year to help the prison prioritise potential recipients.

A number of community-based support groups also visited the prison including the Mirrabooka Well Men’s Group, Alcoholics Anonymous, Narcotics Anonymous, Prison Fellowship, the Salvation Army as well as various pastoral groups and Aboriginal elders.

**Acacia Prison as a releasing prison**

Acacia Prison was established as a medium-security facility and it was anticipated that relatively few prisoners would be released from it. However, Acacia Prison releases 36% of the prisoners released in WA each year which has created increased pressure on the prison in terms of implementing re-entry strategies.

Acacia Prison also accommodated between 45 and 65 minimum-security prisoners throughout the year with associated management issues relating particularly to the availability of appropriate programs and community work opportunities.

The high number of prisoners rated minimum security at Acacia Prison is a systemic issue caused by the shortage of beds at minimum-security prisons. The Department makes every effort to ensure prisoners are placed at a prison that is appropriate for their security rating. When a minimum-security prisoner is placed at Acacia Prison, the management liaises closely with the minimum-security facilities to ensure they are relocated as soon as vacancies occur. Acacia Prison also introduced internal work parties that are primarily reserved for the minimum-security prisoners.

**SERVICES**

The Department has established four cornerstones of prisoner management – custody, care and wellbeing, rehabilitation and reparation. This report describes Acacia Prison’s performance in relation to each of these cornerstones with descriptions of best practice at the start of each section.

**CUSTODY**

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.
Performance-linked fee measures: custody

<table>
<thead>
<tr>
<th></th>
<th>Standard required for performance-linked fee</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Number of recorded incidents of serious assaults by prisoners on prisoners</td>
<td>30 or less per annum</td>
<td>6</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>(b) Number of recorded incidents of serious assaults by prisoners on contractor persons or visitors</td>
<td>8 or less per annum</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>(c) Number of recorded incidents of serious assaults by contractor persons on prisoners</td>
<td>0 per annum</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(d) Percentage of positive findings from 5% monthly random urine analysis sampling</td>
<td>8% per annum or less</td>
<td>9.09%</td>
<td>7.84%</td>
<td>9.43%</td>
</tr>
<tr>
<td>(e) Number of substantiated prisoner complaints to the Ombudsman</td>
<td>10 per annum (to 2003) 5% (2003/04)</td>
<td>3</td>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

AIMS Corporation has achieved the required results in all of the above performance-linked measures with the exception of drug testing.

Drug use
The level of illicit drug use at Acacia Prison is a significant concern.

Despite Acacia Prison’s well-documented drug strategy based on demand reduction and supply reduction, it continued to perform poorly in terms of drug management – reaching its highest-ever percentage of positive findings from urine sampling.

Another cause for serious concern was the high number of test refusals. A prisoner who refuses a urine test is subject to a disciplinary charge.

Strategies engaged at the prison include gate controls, use of passive alert dogs and intelligence functions, which are complemented by prisoner management and treatment strategies. Acacia also has a dedicated “drug treatment” unit which supports and assists those prisoners making a commitment to move away from drug dependence.

Despite these measures, the Peer Review identified a number of weaknesses where procedural improvements are required to increase the detection and deterrence components of the drug strategy. These include:

- better gathering and management of intelligence;
- more effective barrier control measures, particularly relating to visitors;
- more effective controls on visitors and the manner in which visits are conducted;
- improved Methadone dispensing procedures;
- improved detection methods;
• more timely action on suspicions of drug use; and
• improved cell searches.

In consultation with the Department, a new drug management strategy, which addresses the issues raised in the Peer Review report, has been developed and will be implemented in the year ahead. The new measures include improved detection and prevention methods and more efficient intelligence gathering of drug-related information. Acacia Prison staff will work more closely with the Department to ensure more effective sharing of intelligence.

**Complaints**
There were 129 prisoner allegations to the Ombudsman during the year, compared with 261 in the previous year. Of the 125 matters finalised, one was substantiated – two fewer than last year.

At 31 May 2003, there were 33 prisoner complaints awaiting retrospective determination by the Ombudsman compared with 52 in the previous year. Of these, three complaints were sustained, bringing the total for the year to six, which was below the benchmark of 10. There was no retrospective adjustment to the performance-linked fee payment for the second year.

The considerable fall in the number of complaints to the Ombudsman’s office was encouraging and reflects a growing confidence in the prisoner grievance process at Acacia Prison.

**Escapes and unlawful releases**
There have been no escapes from Acacia Prison since it was established in May 2001. There were no unlawful releases during the year – compared with four in the previous year.

**Security**
As reported last year, a key feature of Acacia Prison was to be 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 Peer Review conducted in 2004, confirmed the performance reviews of the previous two years which found that 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 - had not been fully realised.

In particular, the review highlighted an inability to track prisoner movements and location and showed periodic system failure. This means there was reduced accountability for the whereabouts of prisoners and the potential for prisoner frustration to manifest into incidents.

Software improvements are required to increase the functionality of the smart card system and preventative and breakdown maintenance regimes are needed as a matter of priority. At year end, the Department was waiting on further information on what was required from AIMS Corporation in order to assess the financial implications of the improvements.
The review further found that security was not optimised because prison intelligence and management information is not gathered, analysed or deployed from a strategic planning perspective and a number of other operational issues needed to be addressed to bring security management into line with the expected performance of a medium-security facility.

In what was a significant response to a major issue, AIMS Corporation made changes to its intelligence, risk management and incident management systems in early 2004. This included the appointment of a new security manager and intelligence manager.

**Prisoner charges**

There were a total of 656 internal charges laid against 581 prisoners during the year, compared with 536 internal charges laid against 449 prisoners last year. This represents an increase of 22% mitigated by a population increase of 7% during the period.

All these charges need to be heard by either a visiting magistrate or superintendent. At year end, 24 or 3.6% of charges were not finalised.

<table>
<thead>
<tr>
<th>MONTH</th>
<th>No. of Persons</th>
<th>No. of Internal Charges</th>
<th>Most Recent Hearing Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Internally Charged</td>
<td>Referred to Police</td>
<td>Total</td>
</tr>
<tr>
<td>Jun 2003</td>
<td>53</td>
<td>0</td>
<td>53</td>
</tr>
<tr>
<td>Jul 2003</td>
<td>57</td>
<td>0</td>
<td>57</td>
</tr>
<tr>
<td>Aug 2003</td>
<td>43</td>
<td>0</td>
<td>43</td>
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<tr>
<td>Sep 2003</td>
<td>43</td>
<td>0</td>
<td>43</td>
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<tr>
<td>Oct 2003</td>
<td>51</td>
<td>0</td>
<td>51</td>
</tr>
<tr>
<td>Nov 2003</td>
<td>29</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>Dec 2003</td>
<td>51</td>
<td>0</td>
<td>51</td>
</tr>
<tr>
<td>Jan 2004</td>
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<td>Feb 2004</td>
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<td>Mar 2004</td>
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<td>0</td>
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</tr>
<tr>
<td>Apr 2004</td>
<td>41</td>
<td>0</td>
<td>41</td>
</tr>
<tr>
<td>May 2004</td>
<td>77</td>
<td>0</td>
<td>77</td>
</tr>
</tbody>
</table>

**Prisoner movement**

Acacia Prison uses an automated system initially designed to track prisoner movements within the prison. The system, which incorporates smartcard technology, has not yet been used to its full potential because it is not capable of controlling movement – it merely acknowledges recorded movement.

The system needs to be incorporated with barrier management processes, which would enable a prisoner to open doors with the card, enabling movement and, at the same time, recording movement.
At year end, the Department’s contract management team, with assistance from AIMS Corporation, was negotiating to trial iris scan technology with a view to managing prisoner movement using the scanning process. The matter of barrier management, however, remains an issue.

A combination of card (used for prisoner records purposes such as gratuities transactions) and iris scanning barrier management is potentially a solution.

**Addressing bullying and violence**
The level of bullying, stand-over tactics and general violence was low at Acacia Prison during the year but any bullying, in particular, remains an issue of some concern for the Department.

The improvement is due in large part to the implementation of an anti-bullying policy at Acacia Prison.

**Sharing solutions**
The links and level of communication between Acacia Prison and other prisons improved significantly during the year and there is a much greater level of sharing of information and ideas than there was two years ago.

**Emergency response – working with other agencies**
Acacia Prison’s vulnerability in case of emergencies such as fire or loss of control was tested in February 2004 when a serious bush fire threatened the prison.

The close relationship established between Acacia and the WA Police Service, Mundaring Fire Service and the Department of Justice’s Emergency Support Group (ESG) during the previous year stood Acacia Prison in good stead, though the fire also highlighted areas which could yet be improved.

Different staff groups from the Acacia Prison, the Department of Justice, the WA Fire and Emergency Services Authority and the WA Police Service participated in specialist incident management exercises and Acacia Prison’s specialist emergency response group also undertook additional training.

Acacia Prison (through AIMS Corporation) is a signatory to a number of Memorandums of Understanding (MOUs) signed prior to the start of operations at the prison including:
- Joint Department of Justice/AIMS MOU for major incidents occurring in Western Australia; and
- MOU for the exchange of information between the Department of Justice and AIMS Corporation.

In 2004, a memorandum of understanding was signed with the WA Fire and Emergency Services Authority and separate protocols are also in place with the Volunteer Fire Brigade (Wundowie) and the WA Fire and Rescue Service, and with the Ambulance Service (Swan Districts Branch).

An action plan was developed in June 2004 and a number of the issues raised by the specialist monitor are being progressed. The action plan is supported by a steering
group whose function is to implement a number of improvement recommendations. The Department’s Contract Management directorate is actively involved in the group.

CARE AND WELL-BEING

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

Performance-linked fee measures: Care and well-being

(a) Number of incidents of serious self-harm or attempted suicide
1 June – May 31

<table>
<thead>
<tr>
<th>Standard required for</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance-linked fee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
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</table>

AIMS Corporation’s performance in relation to care and well-being remained 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 two reported incidents of serious self-harm or attempted suicide during the year, which is well within the performance measure established in the agreement.

The Department also carefully monitored other incidents of self-harm. There were 20 prisoners involved in 21 incidents of self-harm during the year – six fewer prisoners and eight fewer incidents than in the previous year.

The culture

The correctional culture at Acacia Prison was assessed against the “Healthy Prison” concept developed in the UK and adopted in Victoria.

According to the Victorian monitors, “the concept of a healthy prison is one in which all people feel safe, are treated with respect and have a sense of well-being, regardless of their place within the system, their status or their background.

“A healthy prison environment is also one that actively provides opportunities for prisoners’ personal growth and development. It encourages pro-social behaviour and relies upon an underpinning belief in the dignity and worth of all people. It aims to reduce, as far as practicable, the negative effects of imprisonment on individuals.”

According to the Victorian monitors, the four tests of a healthy prison are:

- every person in the prison feels safe;
- every person in the prison is treated with respect as an individual;
- prisoners are constructively occupied and are expected to improve themselves;
• prisoners are able to maintain and strengthen family ties and prepare themselves for release.

The review team’s conclusions were based on survey results from 92 prisoners, 47 staff and 20 visitors which, it is considered, may not be sufficient for statistical validity but provide an indicator of how the prison environment is measured against the healthy prisons model.

Key results indicate:
• 27% of staff indicated they did not feel safe, citing occupational safety and health issues, staff shortages and training;
• 95% of visitors feel safe;
• 62% of prisoners didn’t feel the meals were balanced or nutritious;
• 95% of visitors said staff treat them with respect and dignity;
• 35% of prisoners felt programs and services met their needs;
• 71% of prisoners agreed regular phone calls helped them maintain contact with family and significant others; and
• 85% of visitors indicated Acacia Prison’s facilities met their needs.

The review found that a strict interpretation of the results would say Acacia is not a healthy prison. In the year ahead, Acacia Prison will develop an action plan designed to address the issues and an assessment of their budget implications will be made. The Department will be actively involved in the development and prioritisation of the actions.

Two food service reviews of all WA prisons were also conducted by the Department of Justice’s catering co-ordinator during the year and both found that Acacia Prison was the highest performing prison in food service provision.

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. There were up to 20 prisoners housed in this unit during the year. To address the issue of access to an open-air environment for the geriatric prisoners, funding for an outdoor exercise yard had been approved and it will be constructed by early 2005.

Health services
Acacia Prison continued to provide 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 Prison Drug Strategy, there is a focus on reducing the reliance on prescription medication and encouraging prisoners to reduce or cease reliance on illicit substances.

In September 2003, the Department funded a pharmacotherapies nurse for Acacia Prison to oversee the administration of prisoners seeking help in addressing their drug problem.
The sponsoring of two nurses from overseas by Sodexho to fill vacant positions at the prison and the appointment of a new health care manager in April 2004 were also both catalysts for improved service delivery during the year.

Acacia’s medical centre is staffed by registered nurses 24 hours a day. A doctor attends three times a week, with prisoners given priority according to the seriousness of their ailment or injury. Each doctor’s visit schedule has four vacancies allotted for emergency or pressing needs patients. There were approximately 240 doctor consultations every month during the year.

After a recruitment search period of some nine months, an optometrist was contracted in October 2003, to visit the prison.

**Psychiatric services**

The Department negotiated a contract with Statewide Forensic Mental Health Services in August 2003 for the delivery of psychiatric services in WA, including Acacia Prison. However, at year end there were difficulties being experienced in securing psychiatrists to provide the service and prisoners requiring urgent psychiatric treatment were being transferred to Casuarina Prison.

**Support for Aboriginal prisoners**

**Wongi prisoners**

Aboriginal prisoners make up almost 30% of Acacia Prison’s prisoner population. It holds more Aboriginal prisoners than any other prison in the State, including a number of Wongi prisoners from the Ngaanyatjarra community, transferred from Eastern Goldfields Regional Prison.

Initiatives for Wongi prisoners during the year included the opening of an Aboriginal art workshop; a visit to Acacia Prison by a respected Wongi elder and the presentation of a video made in the Wongi prisoners’ homelands.

Despite a number of improvements, Acacia Prison’s performance in relation to Wongi prisoners was still not at a high enough level and a specialist monitor was engaged to undertake a review in May 2004.

The Peer Review (see page 12) also monitored the prison’s performance in relation to Wongi prisoners and found there was insufficient attention given to their particular induction and orientation needs and they were too far from their normal environment to benefit from the visit program.

It also found the Wongi prisoners had problems communicating with non-Wongis and were reluctant, or unable, to approach custodial staff for information. This was due in part to officers being located behind glass barriers. These are difficult issues to address, but other efforts to make Wongi prisoners more comfortable in the prison setting may go some way to alleviating these problems.

**Specialist review**

A specialist review of Acacia Prison Aboriginal Services relating particularly to Wongi prisoners was conducted in April 2004 by independent consultant, Charlie
Staples, and Ngaanyatjarra elder, Gerald Porter, from Warburton. His report was received in May 2004.

It followed the March 2003 report of the Inspector of Custodial Services, which found “systemic discrimination faced by Indigenous prisoners at Acacia”.

The specialist review found there had been improvement in some areas but there was still work to be done. Some 54 recommendations addressed issues including:

- strong feelings of isolation from family and community;
- difficulties with communication between prisoners and family and community;
- homesickness, depression and self-harm have been identified by the prisoners themselves as areas of concern;
- resentment over placement at Acacia Prison rather than Eastern Goldfields Regional Prison;
- apparent limited understanding of aspects of the Department of Justice and Acacia Prison processes;
- induction information is often misunderstood;
- a perception that Acacia Prison staff lack adequate understanding of Ngaanyatjarra culture;
- the cultural area is considered inappropriate;
- tensions exist between Ngaanyatjarra prisoners and Nyoongah prisoners;
- the base levels of literacy and numeracy are extremely low and current education options are too challenging; and
- access to appropriate, culturally-relevant therapeutic programs is too restricted.

Acacia Prison is committed to providing proactive services for Aboriginal prisoners and has addressed some key issues during the year – though monitoring shows there is still significant room for improvement. (The section on Wongi Prisoners on page 24 of this report provides more information.)

Aboriginal support at Acacia Prison included:

- an Aboriginal art centre that opened in January 2004 employing up to 45 prisoners each day;
- two full-time Aboriginal support officer positions;
- the appointment of an Aboriginal health worker in May 2004;
- a Prisoner Peer Support Team, supported by the Aboriginal 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 (though it is noted that this centre is not appropriate for Wongi prisoners);
- promotion of prison events such as NAIDOC Week celebrations, family days, visits by Aboriginal community elders and traditional dance groups; and
- twice-weekly visits from members of the Department’s Aboriginal Visitors Scheme.

While the appointment of an Aboriginal health worker in May 2004 was a positive step forward, AIMS Corporation has not yet established Aboriginal health services at
Acacia Prison and has yet to achieve the Aboriginal health services expressed in their initial proposal.

REHABILITATION

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.

**Performance-linked fee measures: Rehabilitation**

(a) Required vocational/education training hours provided

<table>
<thead>
<tr>
<th>Standard required for performance-linked fee</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% - 2001-2003</td>
<td>8 out of 12 months</td>
<td>7 out of 12 months</td>
<td>10 out of 12 months</td>
</tr>
<tr>
<td>&gt;80% - 2003/2004</td>
<td>(months in which benchmark was achieved)</td>
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<td></td>
</tr>
</tbody>
</table>

Note: the required Standard changed from 100% to > 80% in May 2004 and was backdated to July 2003.

(b) Percentage required offending behaviour programs delivered as required in prisoners individual management plans

<table>
<thead>
<tr>
<th>Standard required for performance-linked fee</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% - 2001-2003</td>
<td>9 out of 12 months</td>
<td>6 out of 12 months</td>
<td>12 out of 12 months</td>
</tr>
<tr>
<td>&gt;80% - 2003/2004</td>
<td>(months in which benchmark was achieved)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: the required Standard changed from 100% to > 80% in May 2004 and was backdated to July 2003.

Acacia Prison’s performance in relation to the delivery of programs in accordance with each prisoner’s individual management plan requirements has improved considerably, with the performance measure being met throughout the year.

**Treatment and development programs**

AIMS Corporation’s performance in the delivery of treatment and development programs improved significantly during the year, with the contract requirements being met for the first time. It is noted that the benchmark was reduced from 100% to 80% for this performance-linked fee measure.

In August 2003, an intensive program delivery schedule started, backed by improved resourcing by AIMS Corporation. There were some delays in providing programs for violent offenders and sex offenders due to the difficulty in recruiting suitable psychologists as facilitators.
More than 400 prisoners participated in programs delivered at Acacia Prison during the year. The programs included:

- Addictions offending programs including Preventing and Managing Relapse, Choices, Pathways, Nyoongar Alcohol and Substance Abuse Program (NASAS) and Substance Abuse Education Program;
- Cognitive skills course;
- Sex offender intervention program;
- Controlling anger and learning to manage it; and
- Building Better Relationships (domestic violence).

Program review
A second specialist review of the treatment and development programs provided at Acacia Prison during the year was conducted in April 2004.

This followed the specialist monitor’s review of February 2003, which found deficiencies in terms of program evaluation and integrity, program documentation and processes. There were 31 recommendations made to address all the issues identified.

The latest review found it commendable that about 70% of the 31 recommendations had been implemented. It found Acacia Prison continued to offer a suite of offender interventions that represent elements of best practice. The delivery schedule was revised and is more realistic.

It further found:

- a stronger alignment between the public and private custodial systems in terms of program range and delivery had been achieved, promoting and enhancing through-care as well as offering a more consistent approach to offender intervention;
- with the exception of the Noongar Alcohol and Substance Abuse Service program, the treatment needs of Aboriginal offenders is still not fully addressed;
- the renewed interest in the further development of Corroboree (a prisoner initiated self-help group) will help address the needs of Aboriginal offenders;
- the deficiencies noted in the first review have been addressed to some degree with the introduction of policy documents detailing evaluation mechanisms and standardised, mandatory evaluations have been adopted;
- file management has improved significantly;
- there is a continued reliance on custodial staff to facilitate program delivery - which has some advantages and disadvantages; and
- staff remain committed and enthusiastic in their approach and recognise the importance of offender programs in reducing recidivism;

Education and training programs
Acacia Prison is a Registered Training Organisation and delivers educational courses and vocational training to prisoners, trading as Avon Valley Educational Training Services (AVETS).
The Prison also has a number of training agreements with CY O’Connor College of TAFE, facilitated under the agreement between the Department of Justice and the Department of Education and Training.

Under new arrangements with the Department of Justice, which started in November 2003, 25 Acacia prisoners started traineeships during the year. At year end, four had withdrawn due to release or transfers and three were cancelled after the prisoners were removed from the industry area for ongoing inappropriate behaviour.

Several prisoner trainees who had worked in the Acacia Prison kitchen have been successful in gaining employment in the hospitality industry on their release.

Another five trainees who started prior to November 2003 will complete their traineeship on a fee-for-service arrangement between Acacia Prison and C.Y. O’Connor College of TAFE.

Program delivery
Despite some improvement in the prison’s performance, the benchmark for the delivery of vocational/educational programs was not reached in two of the 12 months, despite the benchmark being lowered from 100% to greater than 80%. (That benchmark will increase to greater than 85% in the year ahead.)

Tuition hours
Rehabilitation outcomes were below performance expectations again, with the benchmark average of four hours tuition per week for prisoners achieved in nine months of the year.

The traineeship program facilitated by the Department is the only industry vocational training offered at Acacia Prison. There were only 18 trainees from a prison muster of more than 700 during the year, but that number is expected to more than double in the year ahead.

During the year:
- a new education coordinator was appointed in August 2003;
- education staff and contractors underwent cross-cultural awareness training;
- the accuracy of the educational data recorded has improved;
- the orientation process is more consistent and conducted by trained teachers, and services to students have improved as a result; and
- occupational safety and health training has now been aligned with state-wide delivery and included as part of the induction process.

The Department of Justice has:
- drafted changes to the Director General’s rules to improve access to information technology; and
- started negotiations to review possible traineeships in future industry areas such as waste management, food processing, asset maintenance and sport and recreation.
**Education review**

Specialist monitors from the Department of Justice’s Education and Vocational Training Unit reviewed the delivery of education programs at Acacia Prison during April 2004 and reported their findings in May 2004.

The review followed the 2002 review which identified deficits in the range of programs reported to be on offer, the quality of the supervision of staff delivering the programs and the depth of understanding by staff of the Australian Quality Training Framework, which is the basis for all accredited training. There were 40 recommendations arising from the 2002 review.

The review found there had been a number of positive changes and education staff had embraced change and made good progress in the areas under their direct control.

However, it also found that issues such as funding, staffing and processes within the structure of the prison were of great concern and hindered the ability of staff to deliver education programs on par with the public prisons and in line with national vocational education and training standards.

The monitors reported that the percentage of prisoners enrolled in accredited education and vocational training programs at Acacia Prison was consistently below the average for all public prisons.

In particular, the review of education and vocational training found most staff and prisoners felt:
- classroom resources were inadequate;
- educational equipment was inadequate;
- enrolment steps were complex and prisoners often gave up in frustration;
- available class time should be increased;
- the level of disruption from things like lock downs, industrial action and intercom traffic was high;
- the gratuity system was a barrier to accessing educational programs;
- support for prisoners’ educational involvement from custodial staff was inconsistent and sometimes obstructionist; and
- education was considered lower in status than other activities in the prison.

The review also found that although Acacia Prison has an allocation of Commonwealth grant funds for 2004 procured by the Department of Justice for Aboriginal tutorial assistance, none of the $7,200 had been spent by the end of term one (8 April 2004). Acacia Prison’s Indigenous Review Steering Committee prepared an action plan which includes plans to start using the funds to provide tutoring in Aboriginal cultural matters.

The regularity of payment to teachers and tutors was also a concern but is expected to be resolved early in the new contract year.

**Re-entry / exit issues**

The Department and Acacia Prison also worked together to ensure links with community organisations were further developed and a second community corrections officer was appointed in February 2004.
Outcare’s re-entry services to Acacia Prison prisoners also started in March 2004 on an “as required” basis, providing additional support for them and their families. As an adjunct to the Department of Justice’s community re-entry for prisoners program, Outcare appointed a dedicated officer to work with prisoners from Acacia Prison, placing a greater emphasis on support for prisoners returning to the community.

The chaplaincy service at Acacia Prison was also very proactive during the year, working with prisoners and staff. Some individual chaplains taught music and helped prisoners with writing tasks as well as offering spiritual support.

REPARATION

During the year, prisoners from Acacia Prison made positive contributions to the community through work and other activities.

Performance-linked fee measures: Reparation

(a) Percentage of prisoners employed or in programs

<table>
<thead>
<tr>
<th>Standard required for performance linked fee</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% - 2001-2003</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;80% - 2003/2004</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(months in which benchmark was achieved)</td>
<td>5 out of 12 months</td>
<td>0 out of 12 months</td>
<td>12 out of 12 months</td>
</tr>
</tbody>
</table>

Note: the standard required was reduced from 100% to >80% in May 2004 and was backdated to July 2003

(b) Percentage of contract work hours

<table>
<thead>
<tr>
<th>Standard required for performance linked fee</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% - 2001-2003</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;80% - 2003/2004</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(months in which benchmark was achieved)</td>
<td>9 out of 12 months</td>
<td>0 out of 12 months</td>
<td>6 out of 12 months</td>
</tr>
</tbody>
</table>

Note: the standard required was reduced from 100% to >80% in May 2004 and was backdated to July 2003

The primary objectives of reparation are to:

- provide opportunities for prisoners to offset the costs of their imprisonment; and
- provide opportunities for prisoners to undertake tasks which provide a benefit to the community.
Employment /industries
During the year, prisoners were employed in food processing, metal work, woodwork, commercial laundry, kitchen, horticulture, grounds maintenance, education support services and general services.

AIMS Corporation also provided several prison industries that include vocational training opportunities for prisoners. These work areas included carpentry, mechanical and hospitality (see page28).

AIMS Corporation improved its performance in terms of the contract work hours provided during the year, though, for the third year, it did not provide the required six hours work per day, per prisoner. The benchmark of more than 80% compliance was achieved for six months of the year compared with no months last year. Although this seems like a radical improvement, the improvement in the overall average number of hours throughout the year was only 0.3% (a total average of 79.5% compared with 79.2% in 2002/03).

Prisoners’ average work hours ranged between a monthly average of 4.5 hours per week and 5.2 hours per week compared with a range of 4.09 hours to 5.45 hours per week last year.

The Peer Review also questioned the high number of prisoners employed as unit workers and, in particular, the reparative benefit of sharing low-skilled, domestic and gardening duties among 201 prisoners.

That concern – and the reduction of the benchmark by 20% to 80% diminished the achievement of the benchmark of prisoners employed or in programs or education during the year.

During the year, Acacia Prison has been successful in acquiring a number of commercial contracts for goods and services and which included the following:

Carpentry:  
- Perth Furniture Co  
- Chest of drawers – $27,000  
- Jarrah chairs – $21,000  
- Perth Discount Bedding – $12,000  
- Lifestyle Furniture (Beds) – $18,000  
- Martin Burns Beds – $6,000  
- Sleep Rite stores – $5,000  
- Choice Beds – $16,000

Metal work:  
- Visy Recycling- recycling bins – $27,000  
- Furniture by Prinz – metal chairs, stools and cabinet handles $5,000

Vegetable processing: Zimbulis and Son – $204,000

Wire baskets:  
- Green West – $18,000

Concrete products:  
- Chris Mitchell Earth Works – $7,000
Revenue from these activities is used for prison improvements that directly benefit the prisoners, through the Acacia Prison Prisoners Welfare Trust Fund (see page 34 of this report).

**Contract payments**

Contract payments to AIMS Corporation have been made in accordance with the amounts specified in the agreement.

A total of $24,294,137 was payable to AIMS Corporation for the year 2003/2004, compared with $23,393,556 for the previous year. This was made up of the base contract fee and the payable performance-linked fee.

Under the agreement, 5% of the total possible fee payable to AIMS Corporation is withheld and payment of the full amount is linked to performance. In 2001/2002, AIMS was paid 87.5% of the performance-linked fee funds withheld; in the 2002/2003 operational year, 69.5% of the monies were paid. In 2003/2004, 83% of the retained funds were paid.

**Contractual payments relating to prison muster made to AIMS to 31 May 2004 (excluding GST)**

<table>
<thead>
<tr>
<th>Period</th>
<th>Total owing ($)</th>
<th>PLF withheld ($)</th>
<th>Amount payable ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2003</td>
<td>$2,003,463.00</td>
<td>$100,173.00</td>
<td>$1,903,290.00</td>
</tr>
<tr>
<td>July 2003</td>
<td>$2,003,412.24</td>
<td>$100,170.61</td>
<td>$1,903,241.63</td>
</tr>
<tr>
<td>August 2003</td>
<td>$2,003,412.24</td>
<td>$100,170.61</td>
<td>$1,903,241.63</td>
</tr>
<tr>
<td>September 2003</td>
<td>$2,035,054.63</td>
<td>$101,752.73</td>
<td>$1,933,301.90</td>
</tr>
<tr>
<td>October 2003</td>
<td>$2,035,054.63</td>
<td>$101,752.73</td>
<td>$1,933,301.90</td>
</tr>
<tr>
<td>November 2003</td>
<td>$2,035,054.63</td>
<td>$101,752.73</td>
<td>$1,933,301.90</td>
</tr>
<tr>
<td>December 2003</td>
<td>$2,035,054.63</td>
<td>$101,752.73</td>
<td>$1,933,301.90</td>
</tr>
<tr>
<td>January 2004</td>
<td>$2,035,054.63</td>
<td>$101,752.73</td>
<td>$1,933,301.90</td>
</tr>
<tr>
<td>February 2004</td>
<td>$2,035,054.63</td>
<td>$101,752.73</td>
<td>$1,933,301.90</td>
</tr>
<tr>
<td>March 2004</td>
<td>$2,035,054.63</td>
<td>$101,752.73</td>
<td>$1,933,301.90</td>
</tr>
<tr>
<td>April 2004</td>
<td>$2,035,054.63</td>
<td>$101,752.73</td>
<td>$1,933,301.90</td>
</tr>
<tr>
<td>May 2004</td>
<td>$2,035,054.63</td>
<td>$101,752.73</td>
<td>$1,933,301.90</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$24,325,779.52</td>
<td>($1,216,288.98)</td>
<td>$23,109,490.54</td>
</tr>
</tbody>
</table>

*Note PLF refers to performance-linked fee*
Penalties
The table below shows the performance areas in which AIMS Corporation was penalised for poor performance during the year, including the amount of the performance-linked fee payment lost.

<table>
<thead>
<tr>
<th>Performance-linked fee measures</th>
<th>Total fee payable (100% performance)</th>
<th>Actual fee paid (2003/2004 performance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Number of serious prisoner assaults on prisoners</td>
<td>$72,977.00</td>
<td>$72,977.00</td>
</tr>
<tr>
<td>b) Number of serious prisoner assaults on staff/visitors</td>
<td>$72,977.00</td>
<td>$72,977.00</td>
</tr>
<tr>
<td>c) Number of serious staff assaults on prisoners</td>
<td>$72,977.00</td>
<td>$72,977.00</td>
</tr>
<tr>
<td>d) % positive results from random urine sampling</td>
<td>$72,977.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>e) Number of substantiated prisoner complaints to Ombudsman</td>
<td>$145,955.00</td>
<td>$145,955.00</td>
</tr>
<tr>
<td>f) Number of incidents serious self-harm or attempted suicide</td>
<td>$182,443.00</td>
<td>$182,443.00</td>
</tr>
<tr>
<td>g) % prisoners employed or in programs</td>
<td>$152,036.00</td>
<td>$137,534.00</td>
</tr>
<tr>
<td>h) % contracted work hours provided</td>
<td>$152,036.00</td>
<td>$52,731.00</td>
</tr>
<tr>
<td>i) % required vocational/education training hours provided</td>
<td>$72,977.00</td>
<td>$49,416.00</td>
</tr>
<tr>
<td>j) % required offending behaviour program hours provided</td>
<td>$72,977.00</td>
<td>$71,727.00</td>
</tr>
<tr>
<td>m) Number of failures of contractor responsiveness</td>
<td>$145,954.00</td>
<td>$145,954.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,216,289.00</strong></td>
<td><strong>$1,004,691.00</strong></td>
</tr>
</tbody>
</table>

Other payments
Other payments made to AIMS Corporation during the operational year related to the performance-linked fee payment for 2003/2004, adjustments to the performance-linked fee and services provided over or below the contract’s minimum requirements (see table below).

**Other payments 2003/2004**

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount ($)</th>
<th>Description of other payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2003</td>
<td>$819,924</td>
<td>Payment of performance-linked fee for previous operational year</td>
</tr>
<tr>
<td>July 2003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>August 2003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 2003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>October 2003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>November 2003</td>
<td>$2,150</td>
<td>Psychiatric services</td>
</tr>
</tbody>
</table>
The Department is committed to significant payments in 2004/05 for gratuities and toiletries. This follows legal advice that the items were not considered as part of the original contract and AIMS Corporation should be recompensed (see page 37).

**Prisoner Welfare Trust Fund**

Profits from goods sold at the prisoner canteen and profits from prison industries’ goods sold are paid into a prisoner welfare trust fund. These funds are then used for items that benefit the prisoners.

The canteen at Acacia Prison has incurred ongoing losses because of poor management and this is of serious concern to the Department. The Department will work with Acacia Prison in the year ahead to manage this issue. Furthermore, the Department will seek a commitment from AIMS Corporation to align canteen prices at Acacia Prison with those in public prisons. Prices were around 10% higher than those in public prisons during the past year.

Prison industries generated profits during the year and AIMS Corporation made submissions to the Department on how some of this money could be used for the welfare of the prisoners. The list below provides those initiatives funded from monies collected in the 2003/2004 operational year.

**Table: Acacia Prison Prisoner Welfare Trust Fund payments**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount ($)</td>
<td>$1,777.75</td>
<td>$2,531.54</td>
<td>$1,241.35</td>
<td>$42,068.48</td>
</tr>
<tr>
<td>Drinking facility at the oval</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Language and legal books</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sport netting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Books, sporting goods</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CONTRACT MANAGEMENT**

During the year, the Department has continued to act on a number of deficiencies in the contract management for Acacia Prison. It is also working with AIMS Corporation to ensure management issues raised by the Department and external reviews are addressed in an effective and timely manner.

A Departmental review in July 2003 highlighted the need to integrate contract management and monitoring services. This was followed by a review of the
Custodial Contracts directorate, which saw the abolition of the Monitoring Services Branch and the monitors reporting directly to the contract manager.

**Accountability**
The Department of Justice has in place a number of accountability systems between AIMS Corporation and the Contract Management branch. These include:

- human resources, including staff approvals and high-security permits, staff movement and status, including medical staff;
- assets, including their maintenance and location;
- medical, including annual assessments, medication under ‘schedule eight’, medical records and the level of health services delivered; and
- notifiable incidents – a compliance-focused database gathering information from daily site representatives, monitors and the contractors.

**Staffing**
The Department was concerned about the low level of custodial staff during the year. An intake of 19 new custodial staff in July 2004 and another group planned for October 2004 should alleviate the problem.

There was a significant restructuring of management to better align functions with operational roles during the year and other measures to address concerns raised by the Department in relation to staffing levels in the previous year.

Those measures included the appointment of:

- a residential manager;
- additional program officers;
- two new nurses;
- a new healthcare manager;
- manager throughcare;
- security manager; and
- operations coordinator.

A joint consultative committee made up of Acacia Prison management and staff and union representatives has also improved the culture and performance of the prison.

AIMS Corporation has not conducted a full review of staffing during the year, however the Department will require such a review as part of the preparation for contract renewal negotiations.

**Financial risk management**
The agreement between AIMS Corporation and the Department of Justice requires AIMS to provide financial statements to allow the Department to monitor the status of the company.

The Department has held concerns regarding the financial stability of AIMS Corporation for more than two years, and last year implemented more thorough risk-management and more closely monitored its financial position, in relation to Acacia Prison.
Financial issues which came to attention during the Peer Review included:

- the automatic teller machines are on a five-year lease with a three year warranty. About six were inoperative during the inspection and Acacia Prison IT staff were carrying out maintenance on the machines at a cost of about $500 per repair;
- of the 204 computers in the prison, between 20 and 25 were not working due to maintenance problems. Once again, the machines are on a five-year lease with a three year warranty;
- there are significant problems with the Secure Transactional Environment for Prisoners system; and
- evidence indicated the prison has cash flow problems that resulted in lengthy delays in invoice payments.

In the year ahead, a specialist review of financial and administrative arrangements – a due diligence review – will be undertaken as part of the contract extension requirements.

**Prisoner trust account**

Acacia Prison is required to have a full audit of the trust account holding prisoners’ gratuities conducted each year. AIMS Corporation has been unable to conduct this audit because of an inability on the part of the Department to reconcile the prisoner gratuities account.

The issue revolves around the inability of the Department’s Total Offender Management System to provide the necessary data to reconcile the trust account.

The Department will continue to work to resolve this issue.

**Maintenance**

Transfield Services (Australia) Pty Ltd (TSAPL) provided maintenance services at Acacia Prison under contract to AIMS Corporation during the year. However, AIMS Corporation was working towards replacing TSAPL with Altys Multi-Services Pty Ltd, a company owned by AIMS Corporation’s parent company Sodexho Alliance. A deed of novation and release was being drawn up at year end.

Issues raised by a maintenance review during the year were addressed and the Department will ensure standards are maintained in the year ahead (see page 14)

**Contract variations**

The service agreement between AIMS Corporation and the WA Government requires an annual review including the appropriateness of the annual performance measures and areas for improvement in the services provided.

Following the 2002/03 annual review, a number of contract variations were negotiated between the Department of Justice and AIMS Corporation. Those variations were forwarded to the Minister for Justice and tabled in Parliament in April 2004, in accordance with the *Prisons Act 1981*. 
The variations and their cost implications were reported in full in last year’s annual report. They became operational in May 2004 and were backdated where appropriate.

Other payments
In September 2004 it was determined that the Department must reimburse AIMS Corporation for toiletries provided to prisoners from May 2001. The contract was not explicit on this issue but any new contract will clearly detail the relevant obligations. The cost to the Department for the current contract period is expected to be in the order of $80,000 per year, and a calculation needs to be made for backpay for this issue.

On the advice of the State Solicitor, the Department compensated AIMS Corporation for additional payments to working prisoners. Historically, prisoners in public prisons are paid for a full week (seven days) though they may work only five. AIMS Corporation tendered on the basic of payment for five days. The cost to the Department is estimated at $327,000 per year, and the money will be paid on a monthly basis from July 2004. The first payment of $27,500 was made in June 2004.

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 Corporation). AIMS Corporation is Australian registered and 100% owned by a French company, Sodexho Alliance.

Service requirements
Under the terms of the agreement, AIMS Corporation 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 years from the start 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 years and not more than five years, but cannot extend the operation period beyond the expiration of 20 years from the start date.

**Contract extension**
The Department started working the renewal of the contract for the management of Acacia Prison during the year. In accordance with the Acacia Prison Services Agreement, the Department will need to advise AIMS Corporation on the extension of the existing Acacia Prison contract, or otherwise, by May 2005. To facilitate this, the Custodial Contracts directorate will undertake a review and develop a business case for the extension of Acacia Prison contract in the year ahead. This will include a review of the financial situation at Acacia Prison, and will provide recommendations on claims made by Acacia Prison, following a review against contractual conditions, legal advice and State Supply Commission policies.

The Department expects to be in a position to provide Government with the appropriate contract extension advice for consideration by March 2005. This advice will have taken into consideration, legal advice and State Supply Commission Policies, as well as ensuring the State will be receiving value for money for the options put forward.

**Regulatory framework**
AIMS Corporation 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 Corporation.

```
<table>
<thead>
<tr>
<th>Prisons Act 1981</th>
<th>Passed by Parliament</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prison Regulations 1982</td>
<td>Approved by Executive Council</td>
</tr>
<tr>
<td>Director General rules</td>
<td>Approved by the Minister</td>
</tr>
<tr>
<td>Policy directives</td>
<td>Authorised by the Director General</td>
</tr>
<tr>
<td>Services agreement</td>
<td>Entered into by the Director General</td>
</tr>
<tr>
<td>Operating manual</td>
<td>Developed by AIMS Corporation and approved by the Director General</td>
</tr>
</tbody>
</table>
```
Remuneration arrangements

Remuneration for AIMS Corporation under the agreement is based upon a fixed price (operation charge) and is subject to consumer price index 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 Corporation a sum of 5% 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 Corporation any amount AIMS Corporation owes the Department resulting from claims of liquidated damages.

Performance-linked fee

At the conclusion of each operational year, AIMS Corporation 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 Corporation 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.