



ANNUAL REPORT 2009/2010

Acacia Prison Services Agreement

This report covers the operation of Acacia Prison from 1 July 2009 to 30 June 2010.



Department of Corrective Services

ACACIA PRISON SERVICES AGREEMENT
ANNUAL REPORT 2009/2010

TO THE MINISTER

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

In accordance with section 15G of the *Prisons Act 1981*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Acacia Prison Services Agreement for the year ended 30 June 2010.

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

September 2010

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CONTENTS

FROM THE COMMISSIONER.....	4
EXECUTIVE SUMMARY	5
BACKGROUND	5
STRATEGIC PRIORITIES	6
FEE STRUCTURE	7
PERFORMANCE MEASUREMENT	9
SIGNIFICANT EVENTS AND ACTIVITIES.....	10
PERFORMANCE MEASURE OUTCOMES.....	13
SIGNIFICANT CHALLENGES.....	15
CONCLUSION	16

FROM THE COMMISSIONER

Acacia Prison, the State's first and only private prison, has continued in its delivery of effective and positive prisoner management practices in the 2009/2010 financial year.

Over the last 12 months the Department of Corrective Services accommodated a significant increase in prisoner population and I congratulate staff across Western Australia for rising to the challenge.

Under private contractor Serco Australia, Acacia Prison has met higher standards despite heavier demand for services. Serco has managed to reach 96% of the contracted performance targets, up 6% from the previous year. This alone is a commendable feat and when considered in the context of an increased prisoner population from 900 to 1000, it becomes an exceptional one.

Within the year, Serco also managed to pioneer a trial of the Custodial Management System (CMS) and Kiosk system that will replace the current STEPS prisoner management system. The CMS will be implemented in three stages, with the final phase delivering further innovation to the Total Offender Management System (TOMS). The success of this could see an eventual improvement of systems across the prison network.

As with all prisons, Acacia is tasked with providing essential services including health, education, employment, training, meals and social activities, while ensuring the safety and security of staff, guests, prisoners and, of course, the general public.

Following a Government announcement in October 2009, Acacia Prison will need to provide another 387 beds by 2014. Just one of many extensive capital works programs flagged for across the State, Acacia's infrastructure will be expanded to reach a capacity of 1400.

Meeting the needs of prisoners and the expectations of the community will remain at the fore regardless of this challenge.

In 2010/2011 the team at Acacia will make a marked effort to improve its provision of education and programs, keeping prisoners actively engaged in meaningful activity. This is a fundamental need for the existing prisoner population in order to reduce re-offending. Building a strong foundation now will ensure preparedness for the predicted increase.

During this year Acacia's Director Andy Beck was promoted within Serco to take on a newly created role of Director (Operations) Justice and Corrections. I was very sorry to see Andy leave Acacia but pleased to see him promoted and remaining in WA. Andy has been an excellent Director and his track record speaks for itself. I wish Andy well in his new role and look forward to continuing our positive working relationship. In the interim Andy has been replaced by Paul McMullan as the Director and Paul continues to build on the excellent work to date and in his time at the helm has actively demonstrated his ability and commitment at a high level.

I am impressed daily by the high calibre of our staff, and Acacia is no exception, so I have every confidence we can meet increased demands without shaking our resolve to making a positive difference to the lives of offenders in our care and contributing to a safer Western Australia.

Ian Johnson
Commissioner

EXECUTIVE SUMMARY

During 2009/10, Acacia Prison operated without major incident and achieved 96% of the performance measure targets.

There were no major disturbances or escapes from Acacia Prison during the year. One prisoner died in hospital in March 2010 as a result of ongoing health issues.

During the year the prison capacity increased to 1000 as a result of the double bunking of 262 cells in various units throughout the site. Since this time the average prisoner population has remained close to the capacity.

Education and programs remain a priority at the prison with the delivery of many rehabilitation programs and education courses in a variety of areas including a number of new initiatives.

Acacia Prison retained its ISO accreditation and won the Serco Pulse award in the category of Demonstrating Outstanding Commitment and the Infrastructure Partnerships Australia (IPA) infrastructure award in the category of Operation and Service Excellence.

The prison undertook a number of special events for prisoners throughout the year including health and education expos and other special and celebratory activities such as NAIDOC week, Sorry Day and ANZAC day.

An audit of all infrastructure and equipment has occurred at the site in readiness for the 10th operational year asset replacement project. This is as per the requirements of the maintenance agreement and will be a major activity at the site over the next few years in order to replenish and replace worn and outdated equipment.

The development stage of the project for the building of additional living units and other infrastructure to accommodate an increased prison population at the site has commenced. It is anticipated that the building project phase will conclude in late 2014 allowing for an increase in the prison population to 1400. Additionally Serco have provided a submission detailing contract variations and costs for their continued tenure as the service provider.

Serco have submitted a proposal for the implementation of the Custodial Management (CMS) and Kiosk systems. This will provide prisoners with the ability to book their own visits, order meals on line and obtain details of their gratuity balances without the need for staff intervention. The system also has biometric security functions. The innovation has been supported by the Department and will be implemented over a three-year period.

BACKGROUND

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

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

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

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

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

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

Population Increase

Due to the addition of 262 double bunks the prison population has increased this financial year from an average of 884 in July 2009 to an average of 994 in June 2010. One thousand (1000) prisoners is the maximum provided for under the current contractual arrangement.

A project has commenced to develop a contract variation to enable the population to increase to 1400 prisoners. The maximum will be capped at 1400 with an option to add an additional 100 contingency beds if required to a total of 1500.

The accommodation is to be provided through the construction of three new accommodation blocks in accordance with the existing prison site footprint. It is anticipated that the first stage of the additional infrastructure will be completed mid 2013 providing an additional 95 Level 1 accommodation beds, and the remaining 292 (124 in Level 2, 168 in Level 3) by late 2014.

Serco has been requested to provide a proposal to continue as the service provider with the revised maximum population of 1500. If the Serco submission indicates that they can continue service provision at current or enhanced levels and represents value for money to the State, it is expected that a varied contract will be extended in accordance with current extension options.

It is expected therefore that the prison population will increase incrementally from the current 1000 to 1400 over a year commencing mid 2013.

STRATEGIC PRIORITIES

Serco recognises that the key strategic priorities are custody and containment, care and wellbeing, rehabilitation and reintegration, and reparation along with organisational effectiveness.

Serco strives for achievement in all these areas with particular success in programs and education (rehabilitation and reintegration) with a high number of prisoners involved in a variety of programs and education opportunities.

Employment and health expos and three special family day visit sessions were held during the year. Prisoners were actively encouraged to participate in the organisation and running of the family day visits which, along with the expos, helps foster the "responsible prisoner"

concept which encourages prisoners to be more accountable for their actions while embracing opportunities for change.

This is based on Serco's philosophy, which states: *Our vision for every prisoner at Acacia Prison is that he will work actively with the help of the prison to address his offending, develop his abilities, and rejoin his community as a full and law-abiding citizen*¹ The increased prison muster and consequential demands on the prisoner services at the site will continue to be a challenge in the coming year.

In the Inspector of Custodial Services Report of an *Announced Inspection of Acacia Prison 53*, the Inspector acknowledged that, "...Acacia undoubtedly sets the benchmark for transparency and accountability, and has leveraged better accountability throughout the prison system".² The Department regards this statement as its ongoing mandate to ensure the provision of a high quality service while representing value for money to the state.

FEE STRUCTURE

The Department of Corrective Services pays Serco (the service provider) an operational fee based on the prison's daily average population (DAP) over an operation month. A schedule of payments is defined within the *Acacia Prison Services Agreement*, which provides for 5% of this payment to be withheld and used as a fee linked to performance. Of that withholding, \$250,000 is available to be awarded for innovation.

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

CUSTODIAL SERVICES

Acacia Prison's operating capacity is 1000 medium-security male prisoners with a current daily average population in excess of 995.

Table 1: Daily average population (DAP) 2009/2010

Month	Aboriginal	% of Total DAP	Non Aboriginal	Total DAP
Jul	322	36.4	562	884
Aug	319	35.8	573	892
Sep	318	35	591	909
Oct	326	35	605	931
Nov	321	34	624	945
Dec	326	34.4	621	947
Jan	320	33.6	631	951
Feb	339	35	629	968
Mar	329	33	666	995
Apr	344	34.7	647	991
May	349	35.2	644	993
Jun	350	35.6	640	990

¹ See Acacia Prison Services Agreement – page 7 of Schedule 3, *Operational Philosophy and Regime*

² See Inspector of Custodial Services report 53 – page 10 1.51, Transparency and Accountability

PERFORMANCE MEASUREMENT

The Department of Corrective Services and Serco implemented the outcomes from a review of performance measures undertaken at a joint workshop with the resulting measures being implemented on 1 July 2009. The new measures are more effective with contractually focused outcomes and a particular emphasis on prisoner management and needs. The measures are continually monitored with three measures being modified since July 2009 to ensure that they remain an effective performance measuring tool.

The current performance measures are shown in Table 2 below.

Table 2: Performance Measures

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

SIGNIFICANT EVENTS AND ACTIVITIES

Muster increase

As a result of the state prisoner population increasing by almost 500 in the year, and as a strategy to relieve muster pressures at other sites, the average population at Acacia Prison increased by in excess of 100 prisoners in 2009/2010. The maximum capacity of the prison is now 1000 and the prison population is expected to remain at this capacity throughout the 2010/2011 period.

This increase in population was achieved by double-bunking prisoners in existing cells. Additional infrastructure and resources were provided to the prison by the State to aid in this transition occurring as smoothly as possible. As the prison count increased the fee for service to the contractor increased as permitted under the service agreement. There have been no significant incidents at the site as a result of the muster increase.

Education and programs

Acacia Prison retains a very high rate of prisoner program delivery including new initiatives such as the federally funded joint Acacia Prison/Uniting Care West/Edith Cowan University – New Pin Parenting and also the Story Book Dads programs which have been successfully trialled at the prison. The Story Book Dads program received a positive mention in the Western Australian newspaper on the 7 September 2009.

The Fresh Start non-smoking program also commenced at the prison. This program is delivered by uniformed prison staff and health care workers. Other successful programs such as the Sycamore Tree restorative justice program and Gate Keeper suicide awareness training for peer support prisoners and staff continue at the prison.

Monitoring

The Department of Corrective Services provides on-site monitoring services at Acacia Prison. The monitoring provides valuable information to the Contract Manager and assists Serco as an “early warning system” to potential issues. The Department also has a number of Monitoring Officers to monitor the CS&CS Contract. Monitoring Officers are expected to be able to work across both contracts and the rotation of staff between the contracts has commenced.

Serco and DCS continue to maintain a sound relationship based on open communication and effective reporting systems with the monitoring team. Key initiatives of the monitoring process during the operation year included:

- a review of the Process Audits aspect of the Monitoring Plan resulting in the reintroduction of these comprehensive area specific reports. The identification of issues and trends from these reports aids significantly in the reduction of risk at the site;
- an audit of the Acacia Monitoring procedures by SAI Global resulting in a positive report;
- a structured training course was conducted in November for all new and existing monitoring officers, and a number of contract management staff, which focused on compliance testing and auditing;
- the appointment of the substantive Acacia Prison Monitor (principal monitoring officer) to manage the on-site monitoring services; and
- increase in monitoring officers from 3 to 4 positions.

Performance Measures Outcomes

The *Acacia Prison Services Agreement* provides for contract payments consisting of a base contract fee and the performance-linked fee (PLF). The fee for performance levels is withheld from the monthly operation fee payable to the service provider. At the end of each Operation Year, if the Commissioner considers that the service provider has met the annual performance measures, the PLF is paid. Should the performance level not be achieved, there is capacity to pay a percentage of the total fee.

As a result of performance during 2009/10 Serco was paid a Performance Linked Fee based upon achieving the KPI targets.

It was noted in the 2008/2009 annual report that Performance Measure 11 (Meaningful Activity) was difficult to achieve due to escalating prisoner numbers and consequential limitations with work opportunities for prisoners. The Performance Measure was subsequently modified in August 2009. These changes resulted in a fairer target

considering the circumstances, whilst still requiring the service provider to meet a reasonable standard.

Performance Measure 12 (Indigenous Health Services) was modified to rectify a discrepancy in a definition. Acacia Prison regularly achieves 100% in this measure.

Contract management staff recently reviewed all Performance Measures to ensure that they remain a useful tool for measuring the contractor's performance.

The Performance Measures Outcomes for 2009/2010 are shown at Table 3, Attachment 1.

Accreditations

In 2009/2010 Acacia Prison won the divisional (Australia/South Pacific) Serco Pulse Award in the category of Demonstrating Outstanding Commitment for their work, in partnership with CY O'Connor, in developing systems for prisoners engaged in business studies at the prison. Acacia Prison also won the Global Pulse Award in this category which is an outstanding achievement.

In 2010 Acacia Prison won the Infrastructure Partnerships Australia (IPA) award in the category of Operator and Service Excellence. IPA comprises public and private sector members, advocating the public policy interests of Australian infrastructure industry. IPA is considered a leader in this area of business development. To receive an award of this nature is a significant achievement.

Acacia Prison management were again certified for compliance in ISO9001/2008 Quality Systems.

In May 2008, the Australian General Practice Accreditation Limited (AGPAL) surveyor's team assessed Acacia Prison's Medical Practice against the AGPAL standards for Immigration Detention Centres. At the completion of follow-up requirements from this assessment, Acacia Prison was notified in August 2009 that they were successful in obtaining this accreditation.

Special activities

Acacia Prison has introduced and has continued a number of initiatives for the care and wellbeing and reintegration of prisoners. This includes special family day visits which were held on three occasions throughout the year. These visits were held over three consecutive days with two sessions daily. These visits have proven to be very popular with prisoner children who are treated to a bouncy castle, baby animal farm and other activities. Prisoners actively participate in organising and setting up for these visits and some dress up as clowns as part of the festivities.

An International Men's Health Week expo was held at the prison in June. Twelve stalls were set up by health service providers such as Derbarl Yerrigan, Hepatitis C Foundation and the Aboriginal Health Council. Although the focus was on Aboriginal health over 400 prisoners of all nationalities attended. Prisoners received health checks, advice and pamphlets on a range of health issues including cigarette smoking, mental and sexual health and lifestyle choices.

An Employment, Career and Information Expo was held in the prison gymnasium in October. The event was attended by 32 external agencies, including TAFE, who provided information and advice to almost half of the prison population. A number of prisoners signed up for job network pre-release and vocational training courses.

Ceremonies were held for ANZAC and Sorry Day, and activities were arranged for NAIDOC week.

Innovation and systems

Serco have submitted proposal for the phased introduction of the Custodial Management System (CMS) and Kiosk systems at the site. CMS is a computerised based system that allows for the management of prison specific functions such as prisoner and staff movements, prisoner visits bookings, scheduling prisoner activities, catering, stock control and ordering of meals. The system also includes biometric security applications and demographic capabilities and requires a number of specialized hardware components for its operation. The system allows prisoners to electronically manage their own financial transactions and appointments consequently minimising the need for staff intervention.

The existing STEPS system is being replaced with Kiosk portals which interface with the CMS system. The new Kiosk portals are similar in function to ATM's and will be available to prisoners in living units for transactions. The replacement system will have considerably more functions than the existing system.

Prison Maintenance

The maintenance of Acacia Prison is provided under the Acacia Prison Maintenance Agreement.

A novation of the agreement under the existing pricing, terms and conditions from AIMS Corporation to the previous nominated sub-contractor, Sodexo Remote Sites occurred in December 2009.

In 2009/2010 fee for service payments totalling \$1,714,221 were made to the maintenance contractor, Sodexo. Plant and equipment upgrade costs during 2009/10 totalled \$300,000 and included the purchase of replacement equipment and parts such as air conditioning, plumbing and security systems.

The maintenance contractor is currently updating the asset register in preparation for the 10th operational year Upgrade/Replacement of Prison Equipment project. The updated register will assist in determining and scheduling equipment and system replacement needs.

SIGNIFICANT CHALLENGES 2010 - 2011

Structured day

The prison continued to experience difficulties providing meaningful activities for the prisoner population from the previous financial year with performance measure scores below 46% for the months of July and August 2009. However, there was a significant improvement in September with a performance measure score of 75.56% progressively increasing throughout the months to 100% for the month of February 2010.

Acacia Prison has maintained a score in excess of 93% for the remainder of the year. Expansions in the areas of industry workshops, education and additional recreational facilities have been a driving factor in this achievement. This has been a good achievement given that the prison population has increased in excess of 11% in the year. The recent increase in prisoner population and planned increases in the coming years are likely to prove problematic for the contractor to maintain positive results in this measure.

CONCLUSION

Despite the challenges of increasing the prisoner population from 900 to 1000 in 2009/2010, Acacia has continued to meet its contractual requirements, as well as maintaining the prisons pro social environment.

With Acacia reaching 96% of the contracted performance targets, the one area that still requires improvement is the prisons structured day. Providing prisoners with meaningful activity over and above education and program delivery is crucial to the prisons continued success and Acacia needs to concentrate on addressing this issue.

Changes were made to the structured day measure in August resulting in a fairer measure whilst still ensuring that a reasonable standard based on available work and other activities is met. As with all performance measures the measure is regularly reviewed to ensure it is meaningful and meets requirements.

The challenges over the next 12 months for Acacia will be to prepare the prison for further increases in prisoner population, when in 2014 the prison will increase its population from 1000 to 1400 prisoners. Preparation for this increase is important, both from an operational and contract perspective and both Serco and the department will need to work together, to plan for a smooth transition and to ensure the prison maintains its unique pro social environment.

Table 3: Performance Measures Outcomes

ATTACHMENT 1

	Performance Linked Measures	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
1	N° Serious Assaults each operation year	0	0	0	0	0	0	0	0	0	0	0	0
2	N° of prisoners each committing one or more acts of Serious Self Harm each Operation Year	0	0	0	0	0	0	0	0	0	0	0	0
3	% Incident Reports completed accurately in accordance with requirements	95.59	98.21	95.65	97.66	97.12	96.15	88.26	92.98	91.86	94.55	94.78	95.28
4	% of positive results identifying a Positive Urine Sample.	9.09	8.89	2.22	10.64	6.38	6.38	4.17	8.25	2	8	6	0
5	% Agreed staffing levels	100	100	100	100	100	100	100	100	100	100	100	100
6	% Prisoner Sentence Planning documents reviewed in accordance with their scheduled review date, and in accordance with DGR 18.	100	100	100	100	100	99.15	100	100	100	99.26	97.35	99.27
7	% of prisoners to whose program requirements as approved in the prisoner's IMP are delivered as scheduled.	100	100	100	100	100	100	100	100	100	100	100	100
8	% of prisoners to whom education and traineeship requirements as approved in the IMP are delivered as scheduled.	100	100	100	100	100	100	100	100	100	100	100	100
9	% Management of Social Visits is in accordance with the requirements of DGR 7.	100	100	100	100	100	100	100	100	100	100	100	100
10	% of Prisoner Grievances managed in accordance with the approved process.	100	100	100	100	100	100	100	100	100	100	100	100
11	% of Prisoners in Structured Activity for no less than 30 hours per week.	40.91	44.45	75.56	88.89	91.49	95.74	95.83	100	93.88	93.88	98	98
12	% of the population of Aboriginal Prisoners receiving Indigenous Health Education	100	100	100	100	100	100	20.78	85.60	95.35	100	100	100