



Annual Report 2004/2005

Acacia Prison Services Agreement







ACACIA PRISON SERVICES AGREEMENT ANNUAL REPORT 2004/2005

TO THE MINISTER

To the Hon J D'ORAZIO Minister for Justice

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 Service Agreement* for the year ending 30 September 2005.

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).

Colin Murphy A/Director General 30 September 2005

Department of Justice 141 St Georges Terrace Perth WA 6000

Telephone 9264 1711 or 13 12 17 *J-Net* www.justice.wa.gov.au





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FROM THE DIRECTOR GENERAL

In the fourth year of its five-year contract to operate Acacia Prison, Australian Integration Management Services Corporation was under pressure to perform and demonstrate improvement in key areas of the prison's operation.

While the only privately operated prison in Western Australia has an impressive record in terms of escapes, incidents, deaths in custody and loss of control, reviews over a number of years have listed a series of deficiencies.

After considering the results of the 2004/05 reviews and developments in the market place, the Government has decided to re-tender the contract when it expires on 16 May 2006.

Fees

Under the *Acacia Prison Services Agreement*, AIMS Corporation was paid more than \$24.5m to operate Acacia Prison in 2004/05. This included almost \$1.098m in performance-linked fees while \$143,756 was withheld for not meeting required performance levels.

Key issues

Some of the pressures facing Acacia Prison are similar to those facing State prisons. The prison has been operating at close to capacity and has more Aboriginal prisoners than any other prison in the State, with many of them imprisoned far away from their homes in the Eastern Goldfields.

The high number of Aboriginal prisoners requires special attention and Acacia has instigated several initiatives over the year to address the unique circumstances of this population.

Staffing has been a major problem at Acacia this year, with AIMS finding it difficult to retain enough staff to adequately service the contract. This problem has been compounded by recruitment drives by the Department of Justice that have attracted Acacia custodial officers. The prison has also found it difficult to attract administrative and specialist staff such as nurses, teachers and psychologists many of whom are not prepared to travel the distance to Acacia.

AIMS has made a commitment to fill all vacant positions by the end of 2005 and this has rapidly progressed and will greatly assist Acacia in achieving most of the Department's required outcomes.

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Monitoring and Reviews

In determining the level of service provided at Acacia Prison, the Department employs onsite monitors and undertakes a number of specialist, peer and management reviews. These measure the performance of the prison against the four cornerstones of prison management that guide all WA prisons (custody and containment, care and wellbeing, rehabilitation and reintegration, and reparation) along with performance-linked fee measures.

This year, AIMS Corporation failed to provide the necessary prisoner employment hours as required in the *Acacia Prison Services Agreement* and was penalised financially.

Of greater concern, the Department issued Acacia Prison with a default notice in May 2005, after the withdrawal in April 2005 of the prison's accreditation as a registered training provider, following its failure to renew its malpractice insurance cover. However, by September the Department was satisfied with the actions taken by AIMS to have its registered training provider status reinstated, but remained concerned at the lapse in management processes.

The reviews identified a number of issues that remained unresolved from last year. They also found that although Acacia met most of its obligations under the performance measures, there were numerous operational areas where Acacia's service agreement was not being met.

The peer review by NSW Corrective Services commented that although AIMS had commissioned and operated the prison without major incident for almost four years, it still needed to provide the services to the standards required by the *Acacia Prison Services Agreement*.

The peer review and a management review by independent consultants, SAI Global, identified problems at the top of Acacia's management structure, with senior management failing to demonstrate clear leadership. This can be partly attributed to the general manager recruited from State prisons. These leadership issues had filtered down through the organisation, leading to custodial staff spending more time in the control room rather than being visible in the prison.

There were clear signs that the prison's innovative ideals were being eroded.

Results

AIMS Corporation responded immediately to a risk assessment report prepared by the Department of Justice based on the issues raised in this year's reviews. A new general manager of Acacia Prison and a new chief executive officer of AIMS Corporation were appointed and AIMS moved its head office from Queensland to Western Australia. The new CEO, David Nicholson, presented the Department with a





plan outlining the measures Acacia would take to mitigate the risks identified in the risk assessment.

The Department has monitored AIMS Corporation's response since May and, by August, was satisfied that AIMS had addressed the identified risks.

The Department also began to re-examine the measures used to determine performance-linked fees. More stringent performance measures, with a stronger focus on input and innovation, will be included in any new contact.

The future

In summary, while AIMS has responded to the reviews with an effective strategy, it has not, over the last four years, lived up to the promise of its tender documents and has not delivered the quality of service required by the Department.

In considering its options, the Department had an independent market analysis carried out that identified a broad base of interest in the private sector for providing the prison service. This, together with AIMS chequered performance, led to the decision to re-tender the contract when it expires in May 2006, enabling the Government to retest the market and improve the current form and cost of the contract.

Colin Murphy A/Director General





THE CONTRACT

The Acacia Prison Services Agreement is a contract for the management and operation of a publicly-owned prison in Western Australia. The prison has a design capacity of 750 medium-security male prisoners and is situated 50km east of Perth near Wooroloo. It is the only privately-managed prison in the State.

The five-year contract began on the 16 May 2001 with the option of extending the contract on one or more occasions for terms of three to five years. The maximum total operational period for the contract is 20 years.

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

Australian Integration Management Services Corporation Pty. Ltd (AIMS) is the contractor.

Contracted Services Directorate

The contract is administered and monitored by the Department of Justice's Contracted Services directorate, within the Prisons division.

Director Contracted Services is Brian Yearwood and the manager of the *Acacia Prison Services Agreement* is Brian Lawrence. They are assisted by a team of monitoring, contract management and support staff.

In 2005, the Department's Contracted Services directorate became the first prisons-based contract management branch in Australia to be registered as a quality endorsed company through ISO9000. This recognises that the directorate applies a high standard to preparing and documenting its procedures and adhering to them.

Fees

The Department pays AIMS an operational fee based on the prison's average daily population over an operational month. A schedule of payment is defined within the agreement. A portion (5%) of this fee is aligned to performance against set measures. Contracted Services verifies information and statistics provided by AIMS before paying the performance-linked fees.

Onsite Monitoring

The fourth year of Acacia Prison's operational performance was monitored by the Department's onsite monitoring services team of three, operating seven-days-a-week, to ensure contract compliance and service delivery. In 2004/05, the Department's monitors focussed on performance auditing and improvement and trend analysis. Regular reports were provided to the Contract Manager and some resulted in performance improvement reports being issued to Acacia Prison for its follow up and response. (see p.12)





Reporting Framework

Contracted Services employs a comprehensive documented reporting process to capture and report information regarding Acacia Prison to the Director General and Minister for Justice. The diagram below outlines this process.

Weekly Summa	ıry	A weekly report from the DoJ Monitor to the DOJ Contract Manager relating to issues that have been brought to the attention of the General Manager of Acacia Prison by the monitors or the Contract Manager.
DG's Weekly Update		A weekly topical report from the DoJ Contract Manager to the DOJ Director General relating to issues and statistical information from Acacia Prison.
DG's Monthly R	Report	A monthly report from the DoJ Contract Manager to the DoJ Director General relating to events, statistical information and the payment of performance-linked fees to Acacia Prison.
Annual Report		A yearly report from the DoJ Contracted Services directorate, through the Director General to the Minister for Justice, relating to the operations of the contractor and its compliance with the contract.

Note: DoJ is the Department of Justice

The performance-linked fee measures covered in the annual report are measured from 1 June 2004 to 30 May 2005. In accordance with the *Prisons Act*, the events described in the report cover 1 September 2004 to 30 September 2005.

The reporting framework is complemented by extensive consultation and regular meetings between representatives of the Department of Justice and AIMS Corporation. The most senior forum is the quarterly meeting of the Department and AIMS' joint board of management.

DOJ and AIMS BOARD

The joint board of management for the *Acacia Prison Services Agreement* meet quarterly to review the operation of the prison and its interaction with the rest of the WA prison system.

The board consists of the:

- Director General, Department of Justice;
- Executive Director Prisons, Department of Justice;
- Director Contracted Services, Department of Justice;
- Manager Acacia Prison Contract, Department of Justice
- · General Manager Acacia Prison; and the
- AIMS Chief Executive or corporate representative.

The board has developed a close, cooperative and, when required, integrated relationship within the bounds of the contract.





Resolving Problems

While the current contract framework is considered sufficiently robust to fulfill the Department's requirements, it does from time to time require variation to meet operational requirements and to satisfy requests by AIMS to align performance with operational requirements.

The joint board has established a formal process to address improvements to the contract and general issues of dispute between the Department and AIMS, as follows:

- Step 1. Communication between the Contract Manager and the General Manager Acacia Prison.
- Step 2. If the issue is unresolved, it is raised between the Director of Contracted Services and the General Manager Acacia Prison.
- Step 3. If the issue remains unresolved, it is raised between the Executive Director Prisons and AIMS' Chief Executive Officer.
- Step 4. If the executive directors cannot resolve the matter, a special meeting of the joint board of management will be arranged to discuss the issue.

Current Contract Status

The Acacia Prison Services Agreement is due to expire on 15 May 2006. In accordance with clause 4.2 of the agreement, the Principal (Director General, Department of Justice) may extend the operational period for one or more consecutive periods of three to five years.

In July 2005, the Department of Justice formally advised AIMS Corporation that it would not be renewing the contract on 15 May 2006 and would be putting the service out for re-tender. Prior to this announcement, the Department had considered the performance of AIMS Corporation at Acacia Prison over the past four years, the effectiveness of the contract and improvements that could be negotiated as part of an extension process. It also examined developments in the marketplace for private prison operations in Australia and the competitiveness of AIMS Corporation in comparison with other providers including the public sector, and the costs associated with providing an operational service to the prison.

A procurement plan was approved by the State Tenders Committee and on 7 September the Department called for expressions of interest from organisations interested in tendering for the Acacia Prison Services Agreement. On 16 September, five organisations attended a mandatory briefing at Acacia Prison. The Department envisages releasing a request for proposal in November 2005.





AIMS COMPLIANCE WITH THE SERVICES AGREEMENT

AIMS must comply with the *Prisons Act* and other legislative requirements, including the Department-approved operating manuals and the Department's Director General's Rules. They must also comply with directions from the Director General concerning the operation of the prison or relating to the detention, treatment, transfer, removal, discharge or release of a prisoner.

Accountability

Contracted Services uses a number of methods to measure AIMS performance.

- ongoing monitoring of day-to-day operations;
- specialist reviews on an annual or as-needed basis management review; and
- peer review.

Where an issue is found, Contracted Services uses the process outlined in page 10 to resolve problems. In some cases, issues may also result in Acacia being issued with a contract improvement report, financially penalised for not achieving a performance-linked fee measure, or issued with a default notice for breaching the *Acacia Prison Services Agreement*.

Reviews and monitoring can cover any aspect of the prison's activities but Contracted Services pays particular attention to:

- human resources, including staff approvals and high-security permits, staff movements and status, and medical staff;
- assets, including maintenance and location;
- medical services, including annual assessments, medication under 'schedule eight', medical records and the level of health services delivered; and
- notifiable incidents, through a compliance-focused database that gathers information from site representatives, monitors and the contractors.





Contractor Performance Improvement Reports

Contractor Performance Improvement Reports are produced to monitor and record AIMS performance in responding to specific requests by the Contract Manager. In September 2004 this requirement was linked to a performance fee. A summary of the 14 reports issued and resolved in 2004/05 is shown in the following table.

Contractor Performance Improvement Reports Issued 2004/05

Date	Issue	Resolution/Outcome
29/10/2004	Low staffing levels in human resources section.	HR personnel recruited
	Intermittent attendance of HR Coordinator at the prison – contrary to agreed process.	HR Coordinator attending at least twice weekly.
	Delay in the appointment of a Finance Manager.	A/Finance Manager appointed 05/09/2004.
1/11/2004	Removal of the 5% "profit" mark-up on canteen goods as requested on 23 September 2004, and as agreed by AIMS on 30 September 2004.	5% removed 08/11/2004
1/11/2004	Provision of a monthly Canteen Trading Statement as described in correspondence dated 29 September 2004.	Provided.
17/11/2004	Delays in providing canteen data as prescribed in the <i>Acacia Prison Services Agreement</i> .	Provided – not within required response time.
13/12/2004	Delay in providing six month statement and payment of relevant amount in accordance with Section 8.2 of the Acacia Prison Services Agreement – Prison Industry.	Statement supplied, but cheque not received within required time.
11/03/2005	Prison industries security issues relating to poor prisoner supervision and unauthorised prisoner activity in the area.	Responded to – further action being taken by Contract Manager
11/03/2005	Failed to provide proof of renewal of industry and special risk insurance policy.	Supplied response (insurance renewed) – not within required response time.
15/03/2005	Failed to include a nominated prisoner in the monthly urine sampling test for drugs.	Did not respond within required time.
15/03/2005	Failed to provide cheque for 10% of the total sales from Prison Industries.	Paid on 21/03/2005 - Resolved
22/03/2005	Request for bank statements re: prisoner welfare trust fund.	Not within required response time.
06/04/2005	36 prisoners were identified as not having completed the Keeping Safe Program	Response received 20/04/2005
26/04/2005	Failed to provide proof of renewal of public liability insurance	Advice provided 21/04/2005
19/05/2005	Requested information re custodial officer training	Response provided 21/04/2005
30/05/2005	Information re refresher training on CPR	Response provided 21/04/2005





Contract Payments

Contract payments, made up of the base contract fee and the payable performance-linked fee, were made to AIMS Corporation in accordance with the agreement in 2004/05.

The table below shows that in 2004/05 AIMS Corporation could have received a total of \$24,811,574 for the operation of Acacia Prison, including a base contract fee of \$23,570,990 and a performance-linked fee of \$1,240,583.

However, because AIMS failed to fully meet the requirements for several performance-linked fees, it received a total payment of \$24,668,818, compared to \$24,294,137 for the previous year. This is further explained in the section on performance-linked fees measures and penalties.

The table also lists the base contract fee that AIMS was paid each month and the amount withheld pending the Department's assessment of annual performance-linked fee measures.

Contract payments 2004/05

Period	Total payable (\$)	PLF withheld (\$)	Amount paid (\$) (base contract fee)
June 2004	\$2,067,631.20	\$103,381.96	\$1,964,249.24
July 2004	\$2,067,631.20	\$103,381.96	\$1,964,249.24
August 2004	\$2,067,631.20	\$103,381.96	\$1,964,249.24
September 2004	\$2,067,631.20	\$103,381.96	\$1,964,249.24
October 2004	\$2,067,631.20	\$103,381.96	\$1,964,249.24
November 2004	\$2,067,631.20	\$103,381.96	\$1,964,249.24
December 2004	\$2,067,631.20	\$103,381.96	\$1,964,249.24
January 2005	\$2,067,631.20	\$103,381.96	\$1,964,249.24
February 2005	\$2,067,631.20	\$103,381.96	\$1,964,249.24
March 2005	\$2,067,631.20	\$103,381.96	\$1,964,249.24
April 2005	\$2,067,631.20	\$103,381.96	\$1,964,249.24
May 2005	\$2,067,631.20	\$103,381.96	\$1,964,249.24
TOTAL	\$24,811,574.40	\$1,240,583.52	\$23,570,990.88

Note PLF refers to performance-linked fee.

Total payable is the amount that AIMS could have received





Performance-linked Fee Measures

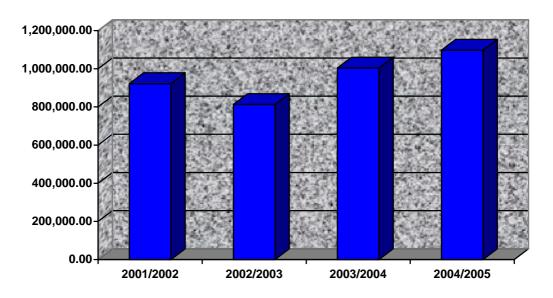
The performance-linked fee is withheld from the monthly operational fee payable to AIMS.

Where the Director General reasonably considers that AIMS Corporation has met or exceeded each of the annual performance measures, the whole of the performance-linked fee is paid. If AIMS fails to meet an annual performance measure, it is paid a percentage of the total fee.

In 2004/05, AIMS was paid \$1,097,828.24, which equated to 84.4% of the total performance-linked fee. This compared to 82.6% in 2003/04.

The graph overpage reflects performance-linked fees (PLF) paid to AIMS during the contract.

Amount paid in performance-linked fees by operational year



Penalties

The table overpage shows the performance areas in which AIMS Corporation was penalised for poor performance during the year and the amount of the performance-linked fee payment lost.

The most notable penalty applied to performance measure 'h' which relates to the contractor's requirement to provide six hours of actual work for prisoners per work day. Acacia Prison was only able to achieve this twice in the 2004/05 operational year. As a result, it was paid only \$35,292 of a possible \$155,073.

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Performance-linked fees for 2004/05

Performance-linked fee measures	Total fee payable (100% performance)	Actual fee paid (2004/2005 performance)
a) Number of serious prisoner assaults on prisoners	\$74,435	\$74,435
b) Number of serious prisoner assaults on staff/visitors	\$74,435	\$74,435
c) Number of serious staff assaults on prisoners	\$74,435	\$74,435
d) % positive results from random urine sampling	\$74,435	\$74,435
e) Number of substantiated prisoner complaints to Ombudsman	\$148,870	\$148,870
f) Number of incidents serious self-harm or attempted suicide	\$186,087	\$186,087
g) % prisoners employed or in programs	\$155,073	\$145,844
h) % contracted work hours provided*	\$155,073	\$35,292
i) % required vocational/education training hours provided	\$74,435	\$73,965
j) % required offending behaviour program hours provided	\$74,435	\$73,566
m) Number of failures of contractor responsiveness	\$148,870	\$136,464
TOTAL	\$1,240,584	\$1,097,828

Other Payments

AIMS Corporation received other payments relating to 2004/05 operational needs. They are not linked to the performance of AIMS and are to reimburse AIMS for expenses incurred for items not provided for within the current contract.

Payments for operational needs

Month	Amount (\$)	Description of other payments
June 2004	327,000.00	Adjustment for gratuity payments to prisoners
July 2004		
August 2004		
September 2004		
October 2004		
November 2004		
December 2004		
January 2005		
February 2005		
March 2005		
April 2005	94,358.69	Provision of toiletries to prisoners
May 2005		





Complaints to the Ombudsman

There were 83 new complaints to the Ombudsman during the year, compared with 129 in the previous year and 261 in 2002/03. Of the 61 matters finalised, two were substantiated.

As at 31 May 2005, there were 22 prisoner complaints from previous years awaiting determination by the Ombudsman.

The considerable fall in the number of complaints to the Ombudsman is encouraging and reflects continued confidence in the prisoner grievance process at Acacia Prison.

Default of Contract

In April 2005, the Training and Accreditation Council (TAC) withdrew Acacia Prison's accreditation as a registered training provider, partly because the prison had allowed the relevant insurance cover to expire. AIMS is required to attend outstanding matters before TAC will reinstate its accreditation.

The withdrawal of Acacia's accreditation resulted in the Department issuing AIMS with a default of contract notice in May 2005.

Staffing

At 31 May 2005, a total of 263 staff, including management, was employed at Acacia Prison compared with 241 on 31 May 2004. This reflects a significant increase in the number of Offender Services' staff (education and programs) and Industrial staff employed at the prison compared to the previous year.

Staff classification table as at 31 May 2005

Staff Classification	2002	2003	2004	2005
Custodial staff				
Case management officers	63	64	62	63
Security staff	53	63	62	56
Casual staff	31	30	41	15
Trainees				26
Supervisors	11	11	13	15
Total custodial	158	168	178	175
Non-custodial staff				
Management	7	5	7	5
Admin/Medical staff	30	26	24	23
Support/Industries	21	18	8	38
Casual staff	11	24	0	0
Education/Program	19	24	24	19
Operations management	3	7	4	3
Total non-custodial	91	104	67	88
TOTAL STAFFING	249	272	241	263

Annual Reviews

A multi-tiered annual review process was used to monitor and assess Acacia Prison's performance in 2004/05. The process included:

 specialist reviews — using industry and/or Department standards in the areas of health, education and programs;





- peer review by officers from the New South Wales Department of Corrective Services against the four cornerstones and the performance measures conducted in June 2005; and
- management review based on the Australian Business Excellence Framework Agreement completed by independent consultants SAI Global in June 2005.

Management Review

SAI Global produced an External Assessment Report of Acacia Prison during May and June 2005 at the request of the Department. The report found that there were clear signs that the prison was slipping back into a traditional prison model and its innovative ideals were being eroded. There was also evidence of behaviour that was not consistent with the stated aims of a private prison. Other findings were:

- senior management were not leading the facility as an innovative and inclusive organisation, and not demonstrating leadership in the prison;
- custodial staff were spending more time in the control room rather than being visible in the prison;
- constant changes at senior management level had created a lack of consistency and some senior positions were subject to prolonged periods of acting;
- a severe loss of custodial staff over the year meant 50% of staff had less than 12 months experience in prisons and morale was extremely low; and
- some local practices by a new general manager appeared to be aimed at increasing profitability by cutting expenditure, often in key areas such as staffing.

Peer Review

As part of the annual review process for Acacia Prison, the Director General of the Department invited representatives from the New South Wales Department of Corrective Services to conduct an operational review in May 2005. The review team found the prison environment to be relaxed with little evidence of tension between staff and prisoners. Notwithstanding this perception, there were several factors that in isolation would have minimal impact upon the operation of the prison but, when combined, could affect the good order and security of the prison. These included security concerns, insurance requirements and financial reporting.

Although the prison was performing reasonably well against its annual performance-linked fee measures, at an operational level there were numerous areas where the service agreement was not being met.

This meant, in effect, that the prison was able to receive payment for achieving the measures linked to performance fees (see p.13), without being penalised for not conforming with other aspects of the service agreement.

The findings of the review team echoed the main findings of the SAI Global External Assessment Report.

The peer review found that while AIMS had commissioned and operated the largest prison in Western Australia without major incident or loss of control for almost four years, it had failed to deliver some of the services for which it had been contracted. The review team stated that the significant contractual issues threatened the future of the privatisation venture and, if immediate action was not taken to address the issues, the Department might need to consider default measures.





Risk Management Process

In May 2005, the Department conducted an immediate risk assessment of the issues identified in the draft annual peer review. Its report was forwarded to the General Manager of Acacia Prison.

Also in May, AIMS' new Chief Executive Officer David Nicholson presented documents responding to the findings of the review to the Department's Director General and Executive Director of Prisons. Mr Nicholson also presented a risk management plan outlining suggested treatments and counter measures to control or mitigate risks identified in the risk assessment report.

Between May and August 2005, Contracted Services monitored how Acacia Prison addressed the identified risks until they had been reduced to a reasonable and acceptable rating. Contracted Services will continue to monitor the prison to ensure risk levels do not increase to previous levels.

Specialist Reviews

A number of specialist reviews were conducted at Acacia Prison during the 2004/05 operational year.

Food services

Concerns were raised by the Office of the Inspector of Custodial Services, the State's independent prison assessor, about complaints from prisoners regarding food.

In August 2004, the Food Services Manager at Bandyup Women's Prison, audited food services at Acacia and found that they were of an acceptable standard.

In November 2004, the Contracted Services directorate arranged for caterers with the Special Air Services Regiment to undertake a unannounced audit of the kitchen and food process distribution. They indicated that, while the food was well prepared and accorded with health, dietary and nutritional standards, the "dishing-up" and supervision of meals within the living units remained a problem. Prisoners also commented on a shortage and lack of variation in meat dishes and a shortage of fruit, even though menus indicated it was issued daily.

Contracted Services worked with Acacia Prison to address the issues. The Acacia Prison Independent Prison Visitor subsequently advised the Inspector's Office that prisoners at Acacia reported an overall improvement in the food.

Annual Health Service review

Independent medical practitioners, Dr Howard Watts and Dorothy Melkus undertook the annual review of Health Services at Acacia Prison in November 2004. They reviewed prison facilities focussing on Health Service's responsibilities, equipment and physical facilities. They also surveyed a random sample of prisoners attending the Health Service.

Dr Watts and Ms Melkus concluded that, overall, there had been significant quality improvements in the care provided by the Health Service to its patients over the previous 12 months.

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Annual education review

In April 2005, the Department's Education branch conducted its annual education review. The review coincided with Acacia Prison's registered training organisation, Avon Valley Specialist Education and Training Organisation (AVETS), having its registration status suspended by the Training Accreditation Council (TAC).

The Department's review team found that the new education coordinator had no assistance or specific expertise to complete the requirements set by the TAC. In addition, staff were unable to supply evidence for an audit without specialised training and a great deal of assistance.

The review found that a high degree of staff turnover in the Education Unit had impacted negatively on longer-term programs such as traineeships.

High numbers of prisoners with scheduled education and vocational training bookings were not complying with agreed programs and prisoners from culturally and linguistically diverse backgrounds were unable to engage in accredited English- as-a-second-language courses.

Therefore, AIMS was non-compliant with its agreement for provision of comprehensive education and training services.

The team recommended that the education and vocational training budget be reviewed to ensure the unit could meet its contractual service agreement with the Department.

In contrast, the review found positive improvements in the areas of occupational safety and heath and art.

Program review

A review of therapeutic programs by Counselling Psychologist Robyn Longley in May 2005 indicated that Acacia Prison had addressed about 70% of the recommendations from a 2004 review into Acacia Prison's programs.

Significant achievements were noted in the revision of the program delivery schedule. It also found an increased level of consistency between the public and private systems, with the introduction of the violent offending treatment program and the sex offending treatment program, which are two of the Department's more intensive programs.

Significant improvements were also noted in staff supervision and training, with the appointment in September of a senior psychologist, and in addressing the special treatment needs of Aboriginal offenders.

The review noted that the programs staff at Acacia Prison remained a committed and dedicated team that enthusiastically embraced the importance of prisoner rehabilitation.

However, there were several problems outstanding, with the most significant being in the area of recruitment and retention of program delivery staff with tertiary qualifications.





Financial Risk Management

A specialist review of financial and administrative arrangement, a due diligence review, was undertaken in October 2004 by accountancy firm Deloitte Touche Tohmatsu. The confidential review made a number of recommendations that will be considered during the contract re-tender process.

Inspector of Custodial Services

On 6 May 2005, the Inspector of Custodial Services wrote to the Director General of the Department of Justice, advising of his office's intention to conduct an announced inspection of Acacia Prison commencing 24 July 2005.

Following the inspection, a debrief was conducted on site and a number of issues were discussed. However, a full report from the Inspector had not been received as at 30 September.

Prisoner Trust Account

The Prisoner Trust Account holds prisoner gratuities and private cash. This account is managed by the Department of Justice's Finance branch and has no impact on the finance for the Department's Contracted Services directorate.

AIMS Corporation is required to organise a full audit of the trust account at Acacia Prison each year. AIMS Corporation has continually been unable to fully conduct this audit due to the inability of the Department's computerised total offender management system (TOMS) to reconcile the prisoner gratuities account at Acacia. TOMS does not have the ability to provide suitable accounting information.

The Department will continue to work to resolve this issue and it will be considered during the contract re-tender process.

Maintenance Agreement

Under the *Acacia Prison Services Agreement*, the servicing, repair and replacement of prison equipment and general maintenance of the prison is undertaken through the maintenance agreement.

The Acacia Prison Maintenance Agreement is between the Minister for Housing and Works and AIMS Corporation and the contract is managed by the Department of Justice on behalf of the Minister for Housing and Works. The original subcontractor under contract to AIMS for the provision of maintenance to Acacia Prison was Transfield Services (Australia) Pty Ltd. On 13 October 2004, Transfield Services was replaced by ALTYS Pty Ltd (a company owned by AIMS Corporation's parent company, Sodexho Alliance) as the subcontractor.

The 2004/05 operating year was the fourth year of the maintenance agreement and \$981,365.00 was allocated to ensure that the prison was maintained in line with the agreement. A prison equipment upgrade is scheduled for year five and \$968,178 has been approved by the Department to upgrade items, including security equipment, the waste water treatment plant and electrical, laundry and kitchen equipment.

Maintenance Agreement Annual Inspection

The annual maintenance inspection of Acacia Prison was deferred from May to October 2005. The decision to delay this inspection followed the novation of the subcontract to ALTYS Pty Ltd in October 2004 and the Department's satisfaction with the monthly reporting and scrutiny undertaken by them. The new inspection date refects ALTYS 12 months of operation as subcontractor.





Environmental Considerations

The Acacia Prison waste water treatment plant is operated by ALTYS under an agreement with AIMS Corporation, in accordance with Department of Environmental Protection operating licence No 7718/4.

Independent consulting engineers from Kellogg Brown & Root Pty Ltd, undertook an annual licence compliance report for 2004 in July 2005.

It found there were a number of incidents where the performance criteria in the operating licence was not met. All exceedances (instances where prescribed maximum levels of effluent discharge have been exceeded) were reported to the Department of Environmental Protection. AIMS Corporation acted quickly to ensure the problems were rectified and the terms of the licence complied with.

The only non-compliance in 2004 related to ALTYS not carrying out foliar analysis of the trees in the woodlot plantation (to show nitrogen uptake to be continuing as predicted). However, the trees in the woodlots are growing vigorously and are clearly taking up nutrients to sustain this growth.





THE OPERATION OF ACACIA PRISON BY AIMS

Leadership and Management

The escape of nine prisoners from the Supreme Court in June 2004 (while they were in the custody of AIMS Corporation under the Court Security and Custodial Services contract) had a significant impact on AIMS and, consequently, Acacia Prison. The General Manager Acacia Prison, David Nicholson was appointed General Manager, Court Security and Custodial Services in recognition of his significant security expertise, risk management qualifications and abilities.

A new General Manager, David Hide, was appointed to Acacia Prison in August 2004 and a new Security Manager in May 2005. Stevan Janosevic replaced Mr Hide as General Manager in June 2005 after Mr Hide's contract was terminated by AIMS in response to issues arising from reviews of the prison during the 2004/05 operational year.

There were also a number of corporate and local management changes at AIMS in June and July of 2005, with the closure of their Brisbane corporate office and the relocation of their Perth office from West Perth to Belmont. Mr David Nicholson became the Chief Executive Officer of AIMS Corporation Australia.

Prisoner Population

During 2004/05, the average daily prison population remained steady in a range between 724 and 736.

The percentage of Aboriginal prisoners was consistently above 30% throughout the year, an increase on last year's average of 26.1%.

Population Snapshot

On 12 August 2005, Acacia Prison's population was 728 and consisted of the following demographics:

- 12 appeal class prisoners;
- 555 long-term prisoners;
- 49 minimum-security prisoners;
- 3 remand class prisoners; and
- 257 Aboriginal prisoners.





Average daily population (ADP) by month

Month	Aboriginal	Percentage of Total ADP	Non- Aboriginal	Total ADP	Population on last working day of the month
June 04	224	30.8%	503	727	729
July 04	225	31.0%	501	726	724
August 04	232	31.9%	496	728	732
September 04	234	32.1%	496	730	730
October 04	233	31.9%	497	730	736
November 04	228	31.3%	501	729	735
December 04	225	30.9%	504	729	720
January 05	224	31.0%	499	723	724
February 05	235	32.2%	495	730	734
March 05	243	33.2%	489	732	734
April 05	243	33.2%	490	733	728
May 05	246	33.6%	487	733	734

For comparative analysis, the following table shows the prison population at Acacia during the history of the contract.

Prison population 2001/02 to 2004/05

Month	Total ADP 2001/02	Pop. on last working day of month 2001/02	Total ADP 2002/2003	Pop. on last working day of month 2002/03	Total ADP 2003/04	Pop. on last working day of month 2003/04	Total ADP 2004/05	Pop. on last working day of month 2004/05
June	69	74	652	664	683	696	727	729
July	87	114	678	699	684	694	726	724
August	164	197	698	708	698	689	728	732
September	215	218	696	690	702	730	730	730
October	231	261	697	681	715	728	730	736
November	307	344	695	713	728	727	729	735
December	370	367	695	687	730	727	729	720
January	408	468	675	681	731	733	723	724
February	511	559	687	694	730	736	730	734
March	585	617	698	698	729	729	732	734
April	637	649	693	688	731	735	733	728
May	652	651	684	684	726	729	733	734





Escapes, disturbances and unnatural deaths

In its fourth year of operation, Acacia Prison once again did not record any major disturbances, unnatural deaths in custody or escapes. However, there were two deaths from apparent natural causes.

- On 23 July 2004, a prisoner was taken to Swan Districts Hospital with a stomach complaint. He was transferred to Royal Perth Hospital as his condition deteriorated and he died on 24 July.
- On 17 October 2004, a prisoner died at Royal Perth Hospital after being admitted on 29 September with terminal cancer.

Acacia Prison received an average of more than 30 new prisoners each week, keeping the average daily prisoner population close to capacity. The high number of prisoners reflected a State-wide trend.

Acacia Prison maintains one of the largest protection accommodation units in the State and it is constantly at capacity, with a majority of its prisoners being long-term occupants.

This operational year has seen Acacia Prison maintain its Quality Management System accreditation under ISO 9001:2000.

Impact Issues

A number of issues had a significant impact on the operations of the prison in 2004/05.

Staff safety

Following the assault of an education tutor at Bunbury Regional Prison in March 2005, Department representatives attended Acacia Prison on 30 March to conduct a safety and security assessment relating to all non-custodial operations within the prison. This assessment was part of the prison division's safety and security strategy and resulted in design improvements to doors to improve staff security within the programs area.

Staffing shortfalls and retention

In January 2005, an extensive recruitment strategy by the Department led to 23 custodial officers resigning from Acacia in March to join the Department. This trend continued for all subsequent courses advertised by the Department. The sudden shortfall in experienced staff meant the prison operated with a reduced number of custodial staff while replacement staff were trained and deployed. As a result, the prison ran three custodial officer induction courses at considerable expense.

A Department of Justice officer was seconded to the Acacia operational team as part of the Department's leadership program. He assisted with the development and implementation of a number of initiatives.

Industrial unrest

Industrial unrest at Acacia Prison during the operational year resulted from low staffing levels and staff discontent with the dual accreditation and training of prison officers and court security and custodial services officers. Staff also sought another week of annual leave entitlement. On 16 June 2005, staff refused to unlock prisoners. However, a series of meetings between the





General Manager and staff representatives quickly overcame the issue and the prison was returned to normal routine by midmorning. All issues were managed by AIMS Corporation with minimal disruption to the prison.

Additional beds and double bunking

An additional 50 beds are planned for Acacia Prison, 37 of these are double bunks, to be fabricated and installed, on site, by Acacia Prison industries. Thirteen beds will be provided through the conversion of the crisis care unit into a self-care facility for protection prisoners. A six-bed crisis care facility will be relocated to the prison's infirmary.

Key Initiatives

Acacia introduced a number of initiatives to improve the operations of the prison.

Iris scan biometric trial

During 2004/05, Acacia Prison assisted the Department of Justice with the introduction of iris scan biometric technology in West Australian prisons by trialing it in the medical centre.

Iris scan biometrics employs the unique characteristics and features of the human iris in order to verify the identity of an individual. The trial interfaced the technology with pharmacotherapy procedures. The success of this trial has resulted in the instigation of a procurement plan from Contracted Services for the supply and installation of this technology into the Department's prisons.

Violent Offending Treatment Program

In April 2005, ten prisoners successfully complete the inaugural Violent Offending Treatment Program at Acacia Prison.

Wooroloo prisoners temporary placement

Agreement was reached between Acacia Prison and nearby Wooroloo Prison in July 2004 to use Acacia Prison's Detention Unit on an ongoing basis for Wooroloo prisoners serving periods of separate confinement. Previously, Wooroloo prisoners on detention were transported to Hakea.

Drug-free unit

Acacia has three, six-bed 'drug-free' units operating in the self-care accommodation area. Aboriginal prisoners take up, on average, about six of the 18 beds. This year, Acacia also introduced a 31-bed drug support unit in response to the numbers of prisoners requesting help with their addiction from the Drug and Alcohol team as well as their peers. Of the 31 beds, Aboriginals prisoners occupy 22.5%.

Other Initiatives

Several initiatives contributed to a positive environment at the prison. These included:

a visit by the Watoto Singers in July 2004 and May 2005, as part of a chaplaincy-sponsored program called 'Faith and Beyond'. The choir is made up of 19 Ugandan orphans who lost their parents because of AIDS or civil war.





- psychologist, Charlie Staples and Ngaanyatjarra elder, Gerald Porter, gave useful
 and practical advice to Acacia staff for dealing and communicating with Aboriginal
 prisoners. They focussed on the circumstances of Ngaanyatjarra men (men of the
 lands) who hail from the extreme Eastern Goldfields, eastern Pilbara and
 Northern Territory. A number of these prisoners were transferred to Acacia Prison
 due to their security rating and overcrowding at Eastern Goldfields Regional
 Prison
- the establishment of an Indigenous Council of Elders at Acacia Prison to allow Aboriginal prisoners to have an input into culturally appropriate services. One suggestion that was implemented was for traditionally cooked meals. On two occasions, Wongi men cooked kangaroo tails in the traditional desert method.
- an exhibition of prisoner art at the Fremantle Prisoner art gallery in April 2005 with the opening attended by about 75 guests. The art exhibition remained open for six weeks and will become an annual event.





CORNERSTONES

The Department has established four cornerstones of prisoner management – custody and containment, care and wellbeing, rehabilitation and reintegration, and reparation. The Department's Contracted Services directorate has established set performance requirements for these cornerstones. The following sections describe Acacia Prison's performance in relation to each cornerstone.

CUSTODY AND CONTAINMENT

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

AIMS Corporation achieved the required results in all performance-linked fee measures for 2004/05 (see table below) and received the total fee for this measure.

Performance- linked fee measures

	CUSTODY								
Performance-	2001/20	02	2002/20	03	2003/20	04	2004/20	2004/2005	
linked Fee Measures	Actual	Bench mark	Actual	Bench mark	Actual	Bench mark	Actual	Bench mark	
a) Number of recorded incidents of serious assaults by prisoners on prisoners	6	30 pa	5	30 pa	5	30 pa	1	30 pa	
b) Number of recorded incidents of serious assaults by prisoners on contractor persons or visitors	2	8 pa	Nil	8 pa	1	8 pa	0	8 pa	
c) Number of recorded incidents of serious assaults by contractor persons on prisoners	Nil	Nil pa	Nil	Nil pa	Nil	Nil pa	0	Nil pa	
d) Percentage of positive findings from 5% monthly random urine analysis sampling.	9.09%	8% pa	7.84%	8% pa	9.43%	8% pa	7.2%	8% pa	
e) Number of substantiated prisoner complaints to the Ombudsman	3	10 pa	3	10 pa	2	5%	2	5%	





Drug Use

The level of illicit drug use at Acacia Prison remained a significant concern. However, the reduced percentage of positive findings indicated that there was an overall reduction in drug use. (See Custody table on previous page and Random Sample table below.)

To improve intelligence gathering and security, Acacia Prison appointed a new security manager, created a new analyst position and recreated the position of a dedicated intelligence manager to complement strategies introduced in previous years, such as gate controls, use of passive-alert dogs and intelligence gathering. However, several issues raised in previous peer reviews, regarding barrier controls, detection and other matters, remained outstanding.

The agreed sampling method continues to provide high levels of detection. However, the Contracted Services found some inconsistencies in the sampling and reporting methods and has advised AIMS of the required standards of testing and documentation.

The random sample table below reflects testing results for this operational year.

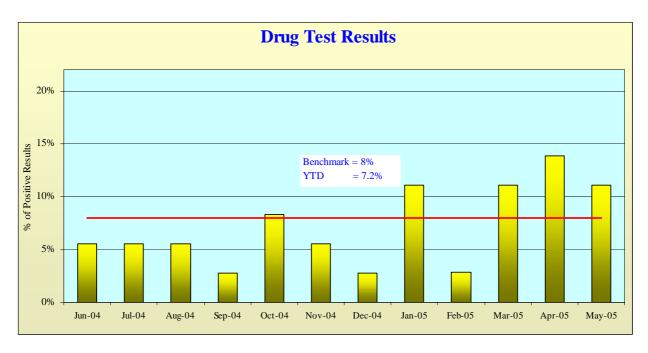
Random sample of drug tests

Month	Random Sam	e					
	Number of Tests Required	Number Refused	Number of Prisoners Positive	% of Random Prisoners Positive			
Jun-04	36	1	2	5.56%			
Jul-04	36	2	2	5.56%			
Aug-04	36	2	2	5.56%			
Sept-04	36	0	1	2.78%			
Oct-04	36	4	3	8.33%			
Nov-04	36	1	2	5.56%			
Dec-04	36	2	1	2.78%			
Jan-05	36	0	4	11.11%			
Feb-05	35	0	1	2.86%			
Mar-05	36	1	4	11.11%			
Apr-05	36	1	5	13.89%			
May-05	36	2	4	11.11%			
YTD	431	16	31	7.2%			

The graph represents results indicated on the table above.







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 2004/05 operational year.

Assaults

One serious assault was reported during the 2004/05 operational year, which is within the performance level.

The prison monitors both serious and non-serious assaults, as non-serious assaults are an indicator of the level of order and safety in the prison.

An assault is defined as an act of physical violence committed by a prisoner, which is liable to cause an injury. An act of physical violence that does not result in bodily harm or require any form of medical intervention is termed an 'other assault'.

The table below reflects the number and type of assaults by month at Acacia Prison.

Assaults by Month

Month	Prisoner to Prisoner				Prisoner to Visitor or Staff			
	Serious Assault	Assaults	Other Assaults	Total	Serious Assault	Assaults	Other Assaults	Total
Jun-04	0	9	0	9	0	2	0	2
Jul-04	0	6	0	6	0	2	0	2
Aug-04	0	7	0	7	0	0	0	0
Sept-04	0	7	3	10	0	1	0	1
Oct-04	0	1	0	1	0	1	0	1
Nov-04	1	0	0	1	0	0	0	0
Dec-04	0	3	0	3	0	2	0	2
Jan-05	0	8	3	11	0	2	0	2
Feb-05	0	3	0	3	0	2	0	2
Mar-05	0	10	0	10	0	2	0	2
Apr-05	0	13	0	13	0	1	0	1
May-05	0	8	0	8	0	2	0	2





Prison Charges

A total of 757 internal charges were laid against prisoners during the year, compared with 656 last year. Of these, 113 were withdrawn compared to 88 last year. Charges for minor prison offences, such as disobeying a rule, property damage, misconduct and swearing, increased by 60.

Minor prison charges were heard by the superintendent of Wooroloo Prison and aggravated prison offences were heard by a visiting justice.

While the number of charges remained fairly consistent over the year, there was a slight increase over the last three months until 31 May, mainly due to an increase in the number of charges arising from positive urine tests (see drug test results p.28). At year end, only nine charges remained to be heard, indicating that most charges were finalised in a timely manner.

The table below reflects the number of internal charges laid and heard during the operational year.

Charges and outcomes by month

Month	Number of internal charges			Finalised through hearings				Not yet
	Minor	Aggra vated	Total	Dismiss ed	Guilty	Not Guilty	With- drawn	Finalised
Jun-04	19	33	53	1	43	0	9	0
Jul-04	27	14	41	0	31	1	9	0
Aug-04	23	47	70	0	52	0	17	1
Sept-04	31	49	80	3	62	2	13	0
Oct-04	25	20	45	2	34	0	9	0
Nov-04	50	24	74	0	55	1	17	1
Dec-04	43	17	60	0	52	1	7	0
Jan-05	36	25	61	0	51	0	10	0
Feb-05	42	29	71	0	58	1	8	4
Mar-05	24	30	54	0	47	0	6	1
Apr-05	45	23	68	2	64	0	1	1
May-05	46	34	80	0	72	0	7	1
TOTAL	412	345	757	8	621	6	113	9

Prisoner Movement

Acacia Prison uses an automated system designed to track prisoner movements within the prison. The system, which incorporates smart card technology, has never been used to its full potential because it is not capable of controlling or preventing movement – it merely acknowledges recorded movement.

Last year's annual report noted that the incorporation of barrier management processes into the system would enable prisoner movement to be controlled as well as recorded. The Department hoped the smart card technology could be interfaced with iris scanning technology to control prisoner movement. However, no progress





was made this year. Iris scanning was trialed at the prison for the purposes of methadone dispensing only.

Consequently, the matter of barrier management remains an outstanding issue.

Emergency Response

In previous years, Acacia has developed close relationships with WA Police, Mundaring Fire Service and the Department's Emergency Response Group (ERG). It has also signed a memorandum of understanding with the Fire and Emergency Services Authority (FESA), Volunteer Fire Brigade, WA Fire and Rescue Service, and the St John's Ambulance Service.

Following an inspection by FESA in 2004, Acacia implemented an action plan to address several fire and emergency issues. FESA inspected the prison in June 2005 and noted a number of improvements including:

- local evacuation plans had been better placed;
- sawdust extraction/containment modifications had significantly reduced the risk from ember attack,
- spray booth thinners had been relocated to inflammable cabinets,
- chemicals had been stored appropriately,
- general housekeeping had improved; and
- air-conditioning filters had been changed to a less flammable material.

Notwithstanding this positive result, Acacia Prison did not conduct all required emergency response exercises for the operational year. After the peer review brought it to the Prison management's attention, AIMS re-instigated Acacia's Incident Management Committee and a meeting of stakeholders, including FESA and the ERG, was held in July 2005.





CARE AND WELLBEING

Prisoners' needs, emotionally, physically, spiritually and culturally, are acknowledged and appropriately addressed.

The culture

In 2003/04 the correctional culture at Acacia Prison was assessed by a Victorian peer review team against the "healthy prison" concept developed in the United Kingdom and adopted in Victoria. According to the review team, a healthy prison is one in which all people feel safe, are treated with respect and have a sense of wellbeing, and the prison actively provides opportunities for prisoner's personal growth and development.

The peer review team found that a strict interpretation of the results would say Acacia was not a healthy prison at that time.

In contrast, the 2004/05 peer review, conducted by officers from the NSW Department of Corrective Services, found the prison environment to be relaxed, with little evidence of tension between staff and prisoners.

The review team identified staff culture as a major strength of the prison. It was characterised by high levels of optimism about the future of the prison and the role of staff. The review commented that they were surprised by this positive feature given the lack of effective management and leadership at Acacia Prison at that time.

There were many other positive aspects highlighted by the review, including the documentation supporting the case management process, management of 'at risk' prisoners, the peer support program; traineeship program; drug-free units; and chaplaincy services.

Notwithstanding these positive features, the review team found AIMS had failed to address a significant proportion of the deficiencies identified in the 2003/04 report.





Assisted-Care Unit – Exercise Area

On 10 May 2005, the Inspector of Custodial Services, Professor Richard Harding, opened an outside activity area for the Assisted-Care Unit. The unit was designed to meet the needs of elderly prisoners who were frail and infirm and in need of special care.

The opening was the culmination of a project that was first proposed three years ago. The exercise area is shaded by a sail and includes a barbecue, wooden bench seating, concrete walkway and wheel chair access (see photo below).



The assisted-care exercise area

Health Services

AIMS continued to provide daily health care for all prisoners by qualified health personnel. The Manager Medical Services is responsible for resource management and coordination of the health centre, and other full-time staff include a mental health nurse and a health educator. The centre provides 24-hour nursing cover, comprising all aspects of health care including routine nursing care, health status assessment and intervention, medication administration, annual health assessments, phlebotomy clinics and emergency care.

The health educator covers all facets of health promotion and education. An Aboriginal health worker works in collaboration with other staff, coordinating all Aboriginal health care needs and participates in annual health assessments.

A GP Service, dental services, physiotherapy services, optometrist and podiatrist also visit the prison regularly.

Psychiatric Services

Acacia employs psychologists to provide psychological services and deliver prisoner programs. Of the three positions for psychologists who manage prisoners at risk of self harm at Acacia Prison, two were vacant for most of the year. In addition, two positions for psychologists who deliver programs were also vacant.

Recognising the difficulty that Acacia has in attracting and retaining psychologists, the Department recently allowed a psychologist to be seconded to the prison to assist in the delivery of prisoner programs.

Acacia Prison continued to attempt to recruit staff during 2004/05.





Support for Aboriginal Prisoners

At the start of September 2005, Aboriginal prisoners made up almost 35% of Acacia Prison's prisoner population. There were more Aboriginal people in Acacia than any other prison in the State. Wongi prisoners from the Eastern Goldfields represented about 20% of Acacia's Aboriginal population.

During the year, in response to issues raised in the May 2004 Review of Acacia Prison's Aboriginal Services, special focus was placed on prisoners from the Ngaanyatjarra community in the north-eastern Goldfields. This group of prisoners experiences great cultural dislocation when isolated from their community.

During 2004/05:

- members of the Aboriginal Visitors Scheme visited the prison daily (Monday to Friday):
- Aboriginal prisoners with family in remote locations were able to phone them at the prison's expense;
- an adviser attended the prison on a bi-monthly basis to explain the prison system in the Wongi language; and
- prisoners were provided with Kangaroo tails or other culturally specific foods once a month.

National Aboriginal and Islander Day Council (NAIDOC) week was celebrated again this year in July and an indigenous art course began this year. Substance abuse programs which catered specifically for Aboriginal prisoners included the Noongar Alcohol Substance Abuse Program (NASA), delivered by external providers, and the Corroboree substance abuse programs, delivered by Aboriginal prisoners.

Contracted Services organised information videos on Aboriginal topics to be provided to Acacia Prison, and this initiative flowed on to other metropolitan prisons.

Individual Management Plans

Prior to receival at Acacia Prison, prisoners undergo an integrated and comprehensive assessment process culminating in an individual management plan. The plan identifies issues that contribute to the prisoners offending behaviour and determines appropriate management and intervention strategies for each prisoner during their sentence.

Acacia Prison has an effective case management philosophy, supported by assessment documentation that is well managed and accounted for through a simple and user-friendly filing system. Reviews of prisoner plans have generally been good and performed on time. Staff work closely with prisoners and assessment staff when reviewing the plans and seek input from unit staff. Prisoners receive a copy of their individual management plan.

In June 2005, Acacia Prison was given the power to approve transfers for prisoners serving three years and under to another WA prison.

Incentives and Privileges

At Acacia Prison, prisoners have access to a range of incentives and privileges. Most of these are associated with the level of accommodation the prisoner attains within the prison, with level one being the entry point and level three offering the most privileges. The level of privilege at which a prisoner is placed is based on the





principle of rewarding good behaviour with increased privileges and penalising unacceptable behaviour with reduced privileges.

Of the 745 accommodation cells, 168 are level three.

Physical Education and Recreation Facilities

Acacia Prison has ample open areas for prisoners to engage in active recreation and team sports, and outdoor areas attached to all accommodation units. The outdoor areas within level one accommodation units are, due to their size, generally limited to passive exercise. The outdoors areas in level two and three accommodation are larger and contain basketball facilities and grassed areas for recreational use. Use of the oval is timetabled.

A large gym stocked with an extensive array of exercise equipment can also be used for indoor cricket, basketball and other indoor sports. There is a prison library within the Programs and Education Centre and prisoners have access to numerous hobby, arts and craft activities.

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REHABILITATION AND REINTEGRATION

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

A focus on rehabilitation and reintegration is a guiding principle in the operation of Acacia Prison. The Acacia Prison throughcare manager has a responsibility to ensure specialist service delivery to prisoners to assist them to address their offending behavior. These services include case management, health care, food services, rehabilitation and treatment programs, education, prisoner admission and induction, sentence management, family support, accommodation, aftercare and support.

Treatment and Development Programs

The integrity of prisoner programs at Acacia Prison was reviewed in May 2005. The review found that the suite of intervention programs for offenders had been expanded through the recent adoption of two of the Department's programs, further increasing consistency between the public and private sectors.

Programs currently operating within Acacia Prison include the sex offending treatment program, drug intervention programs, the violent offending treatment program, and a number of brief intervention programs and voluntary programs.

The prison makes good use of prisoner peer support team workers (prisoners who support other prisoners). All new prisoners participate in the "motivation to change" program within one week of arrival. This program includes introduction to education, programs and community corrections officers. Prisoners play a key role in presenting the motivation to change program.

Lifeskills programs are available to prisoners in the drug treatment unit as part of a holistic approach to a drug free lifestyle. It is envisaged that these programs will be offered to mainstream prisoners in the near future.

Program delivery

Acacia Prison is measured on its ability to meet at least 85% of Individual Management Plan program requirements for prisoners. The table overpage demonstrates that Acacia Prison achieved and exceeded this requirement for the duration of the operational year.





Program Delivery – individual management plans

Month	Number of IMPs Audited	Number that met program	% that met program
	im 5 Additod	requirements	requirements
Jun-04	36	36	100%
Jul-04	36	36	100%
Aug-04	36	36	100%
Sept-04	36	34	94.4%
Oct-04	36	35	97.2%
Nov-04	36	36	100%
Dec-04	36	36	100%
Jan-05	36	36	100%
Feb-05	35	35	97.2%
Mar-05	36	36	100%
Apr-05	36	36	100%
May-05	36	35	97.2%

Education and Training Programs

In April 2005, the Training and Accreditation Council (TAC) withdrew Acacia Prison's accreditation as a Registered Training Provider, placing the prison in breach of the services agreement. (see p.16.)

The majority of the education management and teaching staff of the prison are not tertiary-qualified teachers. However, a new vocational education facilitator began in June 2005. The main objective of this position is to promote traineeships within Acacia and provide further development and support to prisoners enrolled in traineeships. This position also manages the occupational health & safety inductions for prisoners.

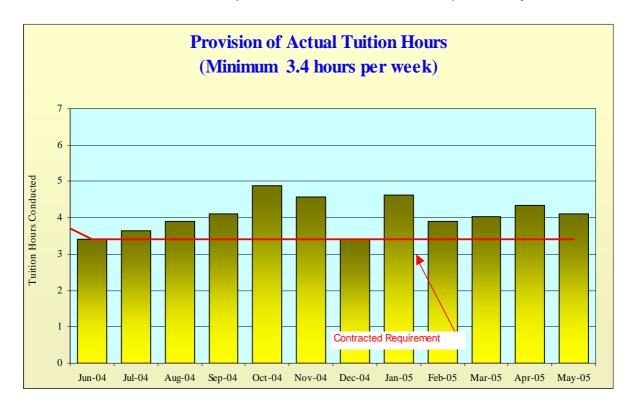
In May 2005, there were 35 traineeships in hospitality, engineering, carpentry and horticulture. The horticulture traineeships are popular and well run. Traineeships will be introduced for the laundry and cleaning industry in the near future.





Tuition Hours

Acacia Prison is performance measured on its ability to provide a minimum of 3.4 tuition hours per week for each prisoner. The graph below shows that Acacia prison achieved or exceeded this requirement for the duration of the operational year.



Re-entry

Acacia Prison provides assistance to prisoners about to leave the prison through Outcare, a community oganisation that provides re-entry services for the Department of Justice.

The re-entry services are designed to reduce offending by helping prisoners reestablish themselves in the community after leaving prison. They include assistance with accommodation, mental health issues, drug treatment and counselling, family relationships, and education, training and employment.

In 2004/05, Acacia Prison consolidated a close working relationship with Outcare which liaised directly with prisoners.

In addition to the re-entry service and education and rehabilitation programs, the NSW peer review identified a need for Acacia to focus on other programs to help prisoners about to re-enter the community. In response, Acacia is developing programs focussing on basic life skills, parenting skills, basic cooking classes and household budgeting.





REPARATION

Prisoners are to continue to positively contribute to the community through work and other activities.

Reparation is a process by which adult offenders repay their debt to the West Australian community for the crime they have committed while developing new skills to help them better reintegrate into society.

Working with the Community

Acacia Prison's industries made a concerted effort this year to lift the prison's profile with local communities. Acacia assisted local organisations by donating manufactured items and labour from Acacia's workshops. This included:

- a multipoint computer desk donated to the Bakers Hill Primary School; and
- a full set of learning blocks refurbished in the prison workshop for the Mt Helena Community Child Care Centre.

Acacia Prison was progressing a partnership with the Mundaring branch of Rotary to produce high quality park benches for placement along a heritage trail.

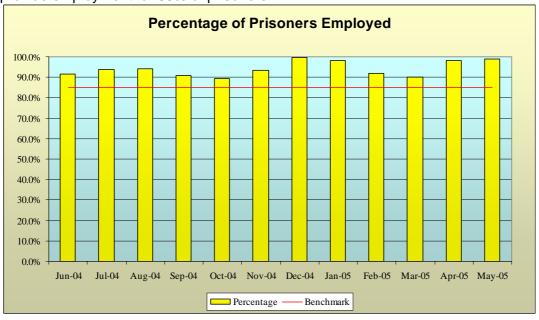
Industries

During the operational year, prisoners were employed in food processing, metal work, wood work, toy manufacture, laundry, kitchen, facility maintenance, ground maintenance, aboriginal arts, education and the general work associated with maintaining cleanliness and services to the living units.

The prison is performance measured in relation to its ability to provide practical employment for 85% of prisoners or more. During the 2004/05 operational year, the prison achieved this. However, the NSW peer review team noted that a high number of prisoners were assigned to work in the living units and it questioned the meaningful quality of some of the work. The frequent closure of workshops, due to staffing issues, was also a concern.

Prisoners Employed

The graph below reflects that Acacia Prison achieved or exceeded the requirement to provide employment for 85% of prisoners.







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.

Department

Department of Justice

Contracted Services

A Directorate within the Department of Justice

Operational year

1 June 2004-31 May 2005

Performance linked fee measures are recorded over the operational year

Reporting year

1 October 2004 – 30-September 2005

The annual report covers events in the 12 months up to 30 September 2005.

The Services Agreement

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, wellbeing and rehabilitation of prisoners at the prison. Annexure A documents the minimum standards and operation service requirements.

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 (please refer to section on current contract status).

Regulatory framework

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





Prisons Act 1981		Passed by Parliament			
Prison Regulation	s 1982	Approved by Executive Council			
Director General R	Rules	Approved by the Minister			
Policy Directives		Authorised by the Director General			
Services Agreement		Entered into by the Director General			
Operating Manual		Developed by AIMS Corporation and approved by the Director General			

Remuneration arrangements

Remuneration for AIMS Corporation under the agreement is based on 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 on 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, unnatural death of a prisoner, or a loss of control.)