

MEDIA RELEASE – EMBARGOED UNTIL 12NOON ON TUESDAY 16TH AUGUST 2016

Report No. 104 – Acacia Prison

The latest report by the Inspector of Custodial Services supports the government’s decision to extend its Acacia Prison contract with private provider Serco. The prison is generally delivering a good service and is well-poised for the next five years. However, the report calls for improved financial accountability from the Department of Corrective Services (the Department).

Excellent management of the expansion to 1400 prisoners

The last Inspection of Acacia in 2013 revealed a number of risks arising from a massive expansion project that was then underway, and which contributed to an escape in mid-2014. Mr Morgan said there had been enormous progress since then:

‘Serco deserve credit for continuing to provide a close to normal regime throughout the high risk expansion period. And in 2015, they managed the increase from 1000 to 1400 prisoners extremely well.’

Responsiveness and commitment

Mr Morgan said:

‘The keys to success have been Serco’s internal processes and their responsiveness to both us and the Department. The company has demonstrated a strong personal as well as professional commitment to Acacia which augurs well for the future.’

Good quality service delivery and strong foundations for the future

The report found that Acacia is delivering a good standard of service. For example, it had:

- Used the expansion as an opportunity to target resources at specific groups of prisoners, such as young men, not just to add extra beds to a crowded system
- Improved security and implemented new security initiatives
- Maintained its focus on positive prisoner management and reducing recidivism
- Provided a comprehensive and well organised orientation for new prisoners
- Delivered outstanding food and catering training for prisoners
- Gave prisoners good opportunities to maintain family relationships

The main concerns: management communication and health services

The inspection’s main concerns were about management communication and Acacia’s health services. Acacia had three different Directors between 2013 and 2015. This, combined with poor communication on human resources issues, had affected staff-management relations. But a highly-credentialed new Director started in June 2016, giving ground for optimism.

The level of services provided by the health centre and the culture of the centre had declined markedly. Serco accepted there were issues that needed to be addressed and is actioning change.

A robust accountability framework

Western Australia has a strong accountability framework for privately operated prisons. Serco has its own assurance systems, the Department has good processes for managing the contracts and we provide independent oversight. Mr Morgan said the framework had worked very well in this case:

‘We gave our findings and other advice to the Minister and the Department in November 2015 so they had additional, independent assurance prior to contract renewal being decided. This process should provide a good degree of public confidence.’

Impact of reduced contract fee and additional prisoners

In announcing the contract renewal in February 2016, the government highlighted a price drop of eight per cent from \$156 to \$144 per prisoner per day. Acacia will also house an additional 75 prisoners. The Inspector said:

‘It is clear that the increased numbers and the reduced per capita fee will generate pressures. But Serco do have a strong sense of what is required and we will continue to monitor the impact of the changes.’

The Department is not sufficiently accountable for public money and ongoing costs

Mr Morgan expressed concern at the Department’s inability to provide robust estimates of its overheads in relation to contracted services:

‘We know what is paid to contractors. Quite rightly, this is something the Department reports on each year. What we don’t know is what the Department itself spends on Acacia. And this means we don’t know the total cost.’

For fifteen years now, we and others inside and outside Parliament have been asking the Department to provide a robust estimate of these costs. For fifteen years the Department has agreed that this is a reasonable and important question but has failed to answer it. We have been left with wildly different estimates ranging between 11% and 30% of what is paid to the contractor – a difference of many millions of dollars of public money.

The state deserves better, especially when there is so much talk about costs and contestability.’

Neil Morgan
Inspector

For more detail, please see the Inspector’s Overview to the Report and Key Findings (copies attached).

For Further Media Information

The Inspector, Mr Neil Morgan, will be available for comment from 12 noon on Tuesday 16th August 2016 and can be contacted on 0427 426 471.

The full report will be available on the Inspector’s website (www.oics.wa.gov.au).