

ACACIA PRISON — SERCO — CONTRACT EXTENSION

Statement by Minister for Corrective Services

MR J.M. FRANCIS (Jandakot — Minister for Corrective Services) [12.12 pm]: Acacia Prison is one of two privately managed prisons in the state. It is owned by the Department of Corrective Services and currently managed by Serco. Serco's current contract expires on 16 May 2016. I wish to advise the house that agreement has been reached between the government and Serco to take up the final five-year extension of the Acacia Prison contract. It includes contract savings of \$33.2 million over five years, with no change to current service specifications or standards, which represents a reduction in the contract cost per prisoner per day from \$156 to approximately \$144; the installation of 75 additional beds, with capital costs to be met by Serco, which will increase the total capacity of the prison to 1 470 prisoners, and various capital improvements for security and prisoner management, which will also be met by Serco; and increased abatement amounts in the event of an escape or other serious incident.

The department will move 75 prisoners from higher cost beds in the public estate, which will result in a further additional notional saving of \$22 million over five years. The department will also work with Serco over the next two and half years to implement performance-based payment mechanisms that will provide incentives to improve performance over time. This is consistent with recommendations of the Economic Regulation Authority that the prison system implement performance benchmarks. I note that the Economic Regulation Authority and the Inspector of Custodial Services in their separate reviews of public and private prisons found that Acacia Prison has consistently performed well. This five-year extension to the Acacia contract confirms the benefits of commissioning services against clear specifications. The department has ensured that service levels have been maintained and value for money enhanced.

This is the first major step in optimising the use of the prison estate. Other initiatives include retendering the court security and custodial services contract, and converting underutilised units in the men's estate into a new women's remand and reintegration facility that will address population pressures at Bandyup Women's Prison. These initiatives will ensure that the Western Australian prison system will contribute to the safety and security of the community while also delivering value for money.

In the interest of openness and accountability, I now table the deed of variation and agreement and the deed of extension variation and agreement to the Acacia Prison services agreement.

[See papers 3879 and 3880.]