

ACACIA PRISON — SERCO CONTRACT

**108. Mr F.A. ALBAN to the Minister for Corrective Services:**

I note that Serco has been recontracted to run Acacia Prison, with significant savings for the government. If Acacia were returned to the public sector, what effect would this have on the state budget?

**Mr J.M. FRANCIS replied:**

I thank the member for his question and his interest in our prisons. I know he has two large prisons in his electorate—obviously, Wooroloo and Acacia. The member has both those prisons and almost one-third of the state's prison population in his electorate, amazingly. It is worth noting what has happened in the last couple of weeks. As I have announced here previously, we have renegotiated with a very sharp pencil the contract with Serco to continue to run the Acacia facility for another five years. I note that this contract was originally given to Serco by the Labor Party when it was in government, and it had no problem with the privatisation of these kinds of services back then. Interestingly, the savings over the last five years —

Several members interjected.

**The SPEAKER:** Members!

**Mr J.M. FRANCIS:** Over the next five years, the savings from that contract will deliver the taxpayers an additional net bonus of \$33.2 million. Effectively, the cost per prisoner —

**Mr D.J. Kelly** interjected.

**The SPEAKER:** Member for Bassendean, I call you to order for the second time.

**Mr J.M. FRANCIS:** The cost per prisoner per day has gone down from \$156 to \$144. That is a net saving of \$12 with no change in service. Additional to that, we have entered into an agreement to provide an extra 75 beds at that facility. That means 75 prisoners can come out of the public prison system and move into the private prison system, saving the taxpayer an additional \$22 million over the next five years, so over \$55 million over five years. The reason is that when we look at the cost per prisoner per day in the private system against the average of the entire public system —

**Mr P. Papalia:** You don't know what the public system costs —

**The SPEAKER:** Member for Warnbro!

**Mr J.M. FRANCIS:** The member for Warnbro is right. But when we aggregate it across the entire public prison system, we know that it is \$160 per prisoner cheaper than the public prison system—\$160 per prisoner per day cheaper.

**Mr P. Papalia:** You don't know. You're just making it up.

**Mr J.M. FRANCIS:** I note that the member for Warnbro recently said that the government should have just signed a one-year contract. All the member did by making that comment was reinforce the fact that if Labor were to win the next election, it would terminate that contract. I am not making this up. I can read straight from the Labor Party's 2015 platform, which states —

“WA Labor will ensure that public services, such as ... Prisons, juvenile detention centres, prisoner transport and community justice ... are not further privatised, and where they have been, they will be brought back into government control and operation ...”

We have to ask: what would that cost the taxpayers of Western Australia?

Several members interjected.

**Mr J.M. FRANCIS:** I have done some very basic maths.

**Mr P. Papalia** interjected.

**The SPEAKER:** Member for Warnbro, this is not who can shout the loudest. Minister, you have exactly 90 seconds.

**Mr J.M. FRANCIS:** We know that it is about \$160 a day cheaper. We know that 365 days by five years by 1 470 prisoners means that the net cost to taxpayers of ripping up that contract should Labor win the next election would be \$429.25 million. Labor would blow \$429 million. Think of what we could do with that. At \$15 million each, we could build 28 new primary schools. At \$20 million each, I could build 21 new career fire stations. The member for Warnbro cannot walk into this place and question government debt when he is so dedicated to some Cold War policy against privatisation that would cost the taxpayers an additional \$429 million if Labor won the next election. The member for Warnbro belongs in the days of the Cold War he is so out of touch with reality. The greatest fear for the people of Western Australia is that if Labor won the next

election and ripped up that contract, it would blow \$429 million over the next five years. Labor cannot have any credibility whatsoever on state debt.