Government of **Western Australia**
Department of **Justice**
Corrective Services

Annual Report 2025/26

Acacia Prison Services Agreement 2020 and Deed of Amendment and Variation

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1 Contract Background and History

Acacia Prison (Acacia) is a privately operated medium security facility located in Wooroloo, approximately 55km east of Perth. Acacia opened in 2001, the land and buildings constituting Acacia are publicly owned.

The Acacia Prison Services Agreement 2020 (the Agreement), between the Director General of the Department of Justice (the Department), on behalf of the State of Western Australia (the State) and Serco Australia Pty Ltd (Serco), commenced on 16 May 2021. The Agreement was awarded as a five-year contract with two extension options of up to five years each.

On 27 February 2026, the State exercised its contractual option to extend the Agreement with Serco for a further term, ensuring the continued operation and management of Acacia Prison until 16 May 2031.

Under the Agreement, Serco is responsible for the management of both operational and maintenance services of the prison.

The Agreement specifies the range of services that Serco is required to deliver, which covers all aspects of prison operations. The Department monitors Serco's performance against the contractual requirements through performance measures, compliance reviews, external audits, stakeholder feedback and other oversight mechanisms.

As part of the Department's Long-Term Custodial Infrastructure Plan, the State and Serco executed a Deed of Variation on 27 February 2026 to deliver a major expansion of Acacia Prison. The project includes the construction of two new accommodation units and associated support facilities, providing an additional 320 beds. Subsequent to this Variation, the Government made a further commitment for an additional 160 beds in May 2026. The total expansion project will increase the prison capacity from 1,600 to 2080 and is expected to be completed in early 2029.

2 Contract Management

2.1 Overview

The Agreement is administered and monitored by the Operational Contract Management (OCM) branch within the Corrective Services Division to ensure contractual compliance and effective service delivery.

Contractual performance and service delivery is assessed and managed through monthly meetings, with the contract manager, the contractor representative/ superintendent together with departmental and Serco representatives. This includes reviewing Performance Measures, Performance Improvement Notices (PINs), Specified Events and other contract management oversight mechanisms. It also provides a forum for discussing operational matters impacting Acacia.

Contractual performance and service delivery is also overseen by the Joint Management Board. The Joint Management Board meetings, chaired by the Commissioner for Corrective Services, are attended by Serco executive representatives and other senior staff from the Department and Serco. The contract manager reports on Serco's performance at this meeting, held quarterly, which is also used to provide direction and advice on strategic and policy issues affecting the delivery of services under the Agreement.

2.2 Operational Compliance

The Department operates a team of on-site operational compliance officers through its Operational Compliance branch, who conduct onsite compliance checks to ensure service delivery requirements are met.

Feedback from the operational compliance officers assists in assessing compliance and performance, in addition to ensuring continuous improvement in service delivery. During the 2025/26 Operation Year (the Operation Year), compliance officers attended Acacia on 63 days to undertake compliance checks.

2.3 Performance Measures

The Agreement incorporates a suite of eighteen (18) Performance Measures including two (2) health services and three (3) facility services measures.

Five percent of the monthly Operation Payments due to Serco are withheld to allow for the payment of the Performance Measures (see *7 Contract Payments to Serco*).

2.4 Corrective Measures

In addition to the payment incentives described above, the Agreement provides for several contractual sanctions that would be applied in the event of non-compliance with service delivery requirements. These corrective measures comprise of the following:

- Performance Improvement Notice (PIN): A written notice by the State requiring Serco to improve performance of the Contractor Services.
- Abatement Amount: An amount required to be paid as a result of a Specified Event as listed in Schedule 4 of the Agreement, and
- Default Notice: A notice given by either party for any breach or default by the Contractor of the Contractor's Obligations.

3 2025/26 Key Matters

3.1 Contract Variation

On 27 February 2026, a Contract Variation was executed for the expansion of Acacia to construct two accommodation units of 320 beds. The Government made a further commitment for an additional 160 beds in May 2026. This expansion will increase the prison capacity from 1600 to 2080 and is expected to be completed in early 2029.

3.2 Aboriginal Support Services

During the Operational Year 2025/2026, Acacia increased the provision of Aboriginal support services to Aboriginal prisoners to complement the existing peer support and wellbeing services. This has been successful at Acacia and consequently, some public prisons have called on Acacia staff to provide similar services to their prisoners.

3.3 Offender Programs

In accordance with the Agreement, Serco is required to deliver a minimum of 6000 criminogenic program hours for programs conducted in groups each calendar year. For the 2025 calendar year, the Department reviewed the delivery of programs with delivery issues related mainly to the departmental Treatment Assessment backlog which leads to the inability to fill the programs due to lack of participants.

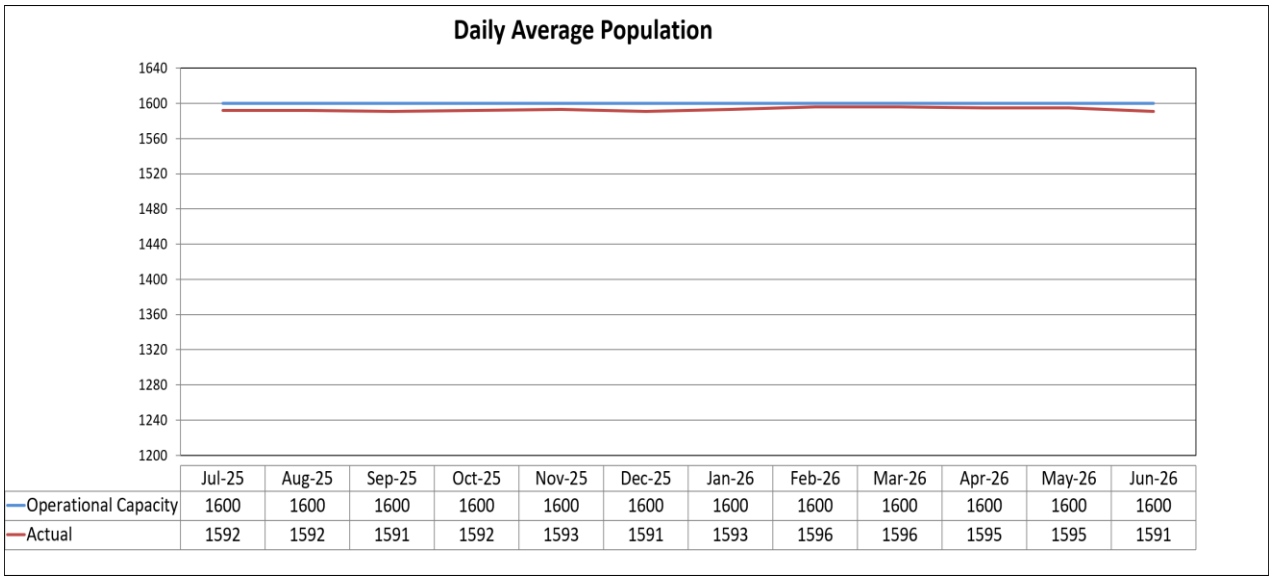
During the 2026 calendar year, the Department continues to oversee the delivery of offender programs. The Department is closely working with Serco to address offender programs' delays due to the backlog of Treatment Assessments by offering non mandatory rehabilitation program opportunities and providing access to departmental staff onsite to address Treatment Assessments.

4 Prison Population

Following the completion of damage rectification works and installation of additional beds, Acacia currently has an operational capacity of 1600 beds in accordance with the Contract Variation executed on 1 August 2025. This consists of 611 general-purpose beds, 385 self-care beds, 338 protection beds, 233 young adult beds and 33 assisted-care beds.

To fully optimise the utilisation of beds across Western Australia, and to ensure maximum value for money from the Agreement, the Department seeks to operate Acacia as near as possible to its operational capacity.

The below graph shows the DAP at Acacia over the course of the Operation Year.



	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Operational Capacity	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600
Actual	1592	1592	1591	1592	1593	1591	1593	1596	1596	1595	1595	1591

5 Contractual Performance

5.1 Performance Measures and Performance Linked Fee (PLF)

The Operational Contract Management branch reviews contractual performance monthly over the Operation Year.

During the Operation Year, Serco achieved full payment for 10 of the 18 Performance Measures and a partial payment for six, and no payment for the remaining two. This results in an estimated percentage achievement of 71.98% which equates to approximately $3,885,905 of the total available PLF $5,398,965 to be paid to Serco (see *8 Contract Payments to Serco*), compared to 81.30% adjusted to 82.90% after annual performance reviews in the previous Operation Year.

Compared to the previous Operation Year, some Performance Measures showed a notable improvement in performance. Substance use support and treatment plans improved compared to last year. Completion rates for high-priority failures and preventative maintenance also improved. Additionally, custodial officers more consistently met their individual operational readiness benchmarks, fulfilling minimum training requirements.

Performance in the management of prisoners on At-Risk Management System showed some improvement compared to the previous Operation Year with Serco achieving partial PLF payment. The Performance related to accurate completion of incident reports in accordance with departmental policies and procedures had partial achievement similar to previous years, with Serco achieving partial payment for 11 out of 12 months. Medical records assessment demonstrated a decreased performance compared to the previous year.

There was a decrease in performance relating to serious self-harms, which saw an increase from 12 to 17, resulting in no PLF payment. Performance in serious assaults was noted high at 13 compared to the previous Operational Year which equates to 50% PLF payment. The increase of incidents related to both performance measures are associated with population pressure, additional double bunking and associated risks as well as operational matters related to the prison cohort. There was also a considerable increase in the positive urine results compared to the previous Operation Year, resulting in zero PLF payment. All other Performance Measure achievements were steady when compared to the previous Operation Year.

The result of Serco's performance against each Performance Measure for the Operation Year is shown in the attached Performance Measure Dashboard at *Attachment A*.

5.2 Corrective Measures Applied

Where service delivery does not meet contractual requirements, the Agreement provides for a range of contractual mechanisms that may be invoked to address the non-compliance (See *2.4 Corrective Measures*). The following corrective measures were applied during the Operation Year:

5.2.1 Performance Improvement Notice (PIN)

During the Operational Year, there were two PINs issued.

In July 2025, a PIN was issued to Serco relating to the management and accountability of security equipment. The failures related to staff removing security equipment from the Acacia site.

In November 2025, a PIN was issued to Serco relating to the management and accountability of security systems. The failure related to staff not following the gatehouse procedures, resulting in the entry of mobile phones into the prison.

5.2.2 Abatement Amounts

During the Operational Year, there were three abatements issued to Serco, amounting to $393,856. One for the death in custody of a prisoner appearing to be as a result of unnatural causes. The death will be investigated and reviewed by the Coroner's Court of Western Australia. The other two abatements relate to failure to comply with a PIN regarding the management and accountability of security systems. The Abatement Notice amounts are as indicated below:

Issue date	Reason for abatement	Amount
22/12/2025	Death in Custody	$289,600
22/12/2025	Failure to comply with a Performance Improvement Notice (PIN) – Management and Accountability of Security Systems	$34,752
04/05/2026	Failure to comply with a PIN – Management and Accountability of Security Systems	$69,504

5.2.3 Default Notices

During the Operational Year, there were no Default Notices issued.

5.3 Dispute

Serco issued a Dispute Notice to the State on 11 June 2024 regarding Prisoner Escort Payments under the Agreement.

A Dispute Mediation with Serco occurred in 2025 in accordance with the Dispute resolution process under the Agreement leading to a successful resolution, with the State Solicitor's Office (SSO) representing the State.

6 External Oversight

Serco's operations at Acacia are subject to a range of reviews by external bodies. During the Operational Year. Reviews and response to reviews included:

6.1 Office of Inspector of Custodial Services (OICS) Inspection

The OICS conducted an inspection of Acacia Prison between 14 and 23 October 2024.The final report was tabled in Parliament during the operation year, on 12 August 2025. Nine recommendations were made, with seven of those supported.

These recommendations are currently being addressed by Corrective Services and Serco, with action plans in place to address the supported recommendations.

6.2 Independent Visitors Service (IVS)

The IVS is managed by OICS, utilising persons appointed by the Minister for Corrective Services. The service provides an independent form of external scrutiny that monitors the standards of treatment and services in Western Australia prisons.

During the Operational Year, the IVS undertook 8 visits at Acacia. Issues raised by prisoners included employment, property, mail, food, health and dental, Treatment Assessments, Individual Management Plans, access to grievance forms, parole, visits, maintenance, doctor's appointments, and prison transfers. Each complaint was responded to by Serco and responses were overseen by the Department.

6.3 Deaths in Custody

During the Operational Year, there were three deaths in custody. One death appeared to be due to unnatural causes and the other two deaths appeared to be due to natural causes. All three deaths in custody were reportable under the *Coroner's Act 1996 (WA)* and are currently awaiting Coroner's inquest.

7 Contract Payments to Serco

The costs paid to Serco for services associated with the Agreement for the Operational Year was approximately $110.3 million.

Factors influencing the contract value included:

- Approved maintenance works waiting on certificate completion prior to invoice and payment to Serco. This will be noted in the next financial year.
- Schedule 11 Works. Schedule 11 is a list of identified minor works to be performed by either the Contractor or the State in accordance with the Agreement.
- Prisoner Escort Payment resulting from dispute settlement.

The cost table below is rounded to the nearest dollar:

Operation Year payments (excl. GST)	2025/2026
Monthly Services Payments (excluding 5% PLF withholding)	**$ 105,886,964**
Performance Linked Fee (PLF) estimates	**$ 3,885,905**
Schedule 11 Works	**$ 507,341**
Grand Total:	**$ 110,280,210**

7.1 Prisoner Welfare Trust Fund (PWTF)

Serco operates a canteen service which offers snacks, confectionary, non-alcoholic drinks, toiletries, magazines, books, stationery and any other approved items as specified to prisoners. In accordance with the Agreement, Serco is required to make payment into the Prisoner Welfare Trust Fund an amount equal to two percent (2%) of Gross Canteen Sales in respect of the previous month.

Expenditure from this fund is approved by the Department where submissions from Serco demonstrate that the funds will be used for the welfare of prisoners at Acacia.

The balance of the PWTF account on 1 July 2026 totalled $452,595.19. Payments made to the PWTF for the Operation Year totalled $104,251.9.

7.2 Prison Industries

Serco engages with external agencies and contractors to assist in providing training in industries that allow prisoners to undergo and complete trade-related and employment-specific skills. These include metal workshops, woodwork shops and leather work producing a wide variety of items. Following completion of the damage rectification project, rectification works across all prison industries have now been completed. As a result, the Hotel and Whiskey Blocks are fully operational, while the Romeo Block is partially operational due to the ongoing refitting of some equipment.

Attachments:
Attachment A – Performance Measure Dashboard 2025/2026.

ACACIA PRISON SERVICES AGREEMENT - 2025/26 DASHBOARD															
Performance Measures															
			2025/26 Quarter 1			2025/26 Quarter 2			2025/26 Quarter 3			2025/26 Quarter 4			2025/26 YTD
			Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	
1	Serious Assaults	<3	0	0	1	2	1	1	0	3	2	0	2	1	13
2	Serious Self-Harm / Attempted Suicide	<3	1	1	4	1	1	0	2	1	0	2	0	4	17
3	ARMS	≥97%	94.9%	93.7%	100%	100%	98.3%	100%	94.9%	98.6%	97%	94%	96.6%	94.9%	NA
4	Random Urine Tests	≤3%	5%	8.8%	3.8%	2.5%	2.5%	6.3%	11.3%	3.8%	13.8%	18.8%	21.3%	26.3%	11.8%
5	Sentence Management	≥97%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	NA
6	Education, Training & Employment	≥95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	NA
7	Clinical Programs - Delivery	≥95%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	NA
8	Clinical Programs - Treatment Reports	≥95%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	NA
9	Substance Use Support & Treatment Plans	≥95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	NA
10	Substance Use Support & Treatment Plans	≥60%	N/A	N/A	66.7%	N/A	N/A	70%	N/A	N/A	93.8%	N/A	N/A	100%	NA
11	Adult Basic Education	≥95%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	NA
12	Individual Operational Readiness	100%	N/A	N/A	97.1%	N/A	N/A	100%	N/A	N/A	100%	N/A	N/A	100%	NA
13	Incident Reporting	≥95%	92%	94%	92%	94%	96%	94%	90%	90%	78%	92%	90%	86%	NA
14	Medical Records Assessments	≥97%	99.3%	97.4%	96.8%	96.3%	98.6%	94.8%	98.2%	99.4%	96.9%	94.7%	96.1%	98.3%	NA
15	Annual Health Reviews	≥97%	100%	100%	96.7%	100%	100%	100%	100%	100%	100%	100%	100%	100%	NA
16	Failure Completion Time - priority 0 & 1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	NA
17	Failure Completion Time - priority 2 & 3	≥90%	93.6%	92.4%	90.9%	91.3%	90.9%	91.5%	91.2%	91.5%	90.2%	91.2%	91.9%	92%	NA
18	Preventative Maintenance	≥90%	N/A	N/A	97.7%	N/A	N/A	98.1%	N/A	N/A	95.4%	N/A	N/A	96.2%	NA
Specified Events															
A	Escape		0	0	0	0	0	0	0	0	0	0	0	0	0
B	Loss of Control		0	0	0	0	0	0	0	0	0	0	0	0	0
C	Death in Custody (Unnatural Causes)		0	0	0	0	1	0	0	0	0	0	0	0	1
D	Unlawful release of prisoner		0	0	0	0	0	0	0	0	0	0	0	0	0
E	Unlawful detention of prisoner		0	0	0	0	0	0	0	0	0	0	0	0	0
F	Failure to Provide Information		0	0	0	0	0	0	0	0	0	0	0	0	0
G	Failure to Comply with a PIN		0	0	0	0	0	1	0	0	0	0	1	0	2
Performance Improvement Noitce (PIN)															
	Performance Improvement Notice		1	0	0	0	1	0	0	0	0	0	0	0	2

2025/26 YTD reflects the Performance Based Percentage results against Progressive Targets for the period. The applicable percentage varies between Performance Measures as applied in Schedule 5 – Performance Measures.