



Infrastructure
Western Australia

Major Infrastructure Proposal Assessment

Department of Justice

Acacia Prison Expansion Project

Summary Assessment Report

Infrastructure WA

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Acknowledgment of Country

Infrastructure WA acknowledges the Traditional Custodians of Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.

Purpose

This assessment report has been prepared in carrying out Infrastructure WA's (IWA) legislative function to assess and report to the Premier on major infrastructure proposals. The assessment is of the Project Definition Plan (PDP) for the proposed Acacia Prison Expansion Project (APEP).

1. IWA observations

IWA acknowledges that the WA Government has previously approved the development of a Project Definition Plan (PDP) for a 320-bed expansion of Acacia Prison with an optional further extension comprising an additional 160 beds.

This Major Infrastructure Proposal Assessment (MIPA) is therefore primarily focused on examining the option assessments within these parameters, the associated delivery aspects of the proposal, and to highlight any areas for future improvement.

Long term infrastructure planning for the justice sector has identified the APEP as one of the lowest cost and fastest implementation options to help address capacity constraints on the adult custodial estate. The Department of Justice has undertaken an appropriate process to select a preferred site layout and reference design. While an optional capacity increase to 480 total beds is not fully justified in the PDP, IWA considers this to be a potentially viable option and recommends further analysis of its relative merit be undertaken as part of the Department's custodial infrastructure planning. The PDP also outlines a reasonable economic and financial appraisal approach with measurable benefits included in a benefits plan.

The PDP presents a solution that can be delivered quickly and cost-effectively to relieve pressure on the custodial estate. Success will depend not only on the infrastructure but also on the operational model and staffing to ensure improved safety, rehabilitation outcomes, and cost-efficiency. The risk management and the planning process appears feasible within the required timeframe.

While the project development approach was reasonable, to ensure alignment with overarching justice sector objectives IWA recommends future, portfolio-level planning embrace measures to better integrate regional priorities, incorporate quantitative analysis and examine broader intervention options earlier in the project development process as well as consider the diverse needs of custodial cohorts.

Based on the assessment of the PDP and additional investigations, IWA considers there is sufficient information for WA Government to progress to an investment decision. While there are residual project cost and time risks, these are being mitigated through the application of good risk management practice and the project is well-positioned for successful delivery, subject to continued governance discipline, proactive risk management and effective market engagement.

2. Context

2.1 Project background

Western Australia's adult custodial estate is under significant pressure due to a rapid increase in prisoner numbers. The average daily adult prison population has risen rapidly post-COVID and this surge has eliminated capacity buffers needed required for safe and effective operations, resulting in overcrowding and increased reliance on temporary measures such as double and triple bunking.

In response, the Department of Justice has developed a Long-Term Custodial Infrastructure Plan (LTCIP), which examines potential responses at a whole-of-portfolio level and identifies the APEP as a cost-effective metropolitan solution to deliver additional custodial capacity.

Acacia Prison, is the State's largest privately operated medium-security facility, currently housing around 1,600 prisoners. The proposed expansion will add 320 beds through two new accommodation units, with provision for a third unit to increase capacity to 480 beds if required.

Planning funding was approved in the 2025/26 State Budget, and the PDP was submitted to IWA in November 2025. The total estimated capital cost is \$181.1 million (ex GST), equating to approximately \$570,000 per bed.

3. Strategic merit

3.1 Alignment

The Acacia Prison Expansion Project is aligned with the strategic priorities of the Western Australian Government, particularly in relation to justice infrastructure planning, custodial capacity management, and public safety outcomes. The project is embedded within the Department of Justice's 2025–26 Strategic Asset Plan and was endorsed by the WA Government as part of the 2025/26 State Budget, following the outcomes of the LTCIP. The LTCIP identified Acacia as the lowest-cost option to deliver additional beds in the short term.

This alignment extends to the State Infrastructure Strategy where Recommendation 93 highlights the need for investment in fit-for-purpose and contemporary justice infrastructure. The APEP directly supports this recommendation by addressing the urgent need for additional custodial beds and improving the operational efficiency of the adult prison estate. The project also complements other interrelated initiatives such as the Casuarina Expansion, the New Youth Detention Facility and the transition planning for Unit 18, forming part of a coordinated infrastructure response across the justice system.

Notwithstanding strong strategic alignment at a project level, IWA has identified areas for improvement in long-term planning at a portfolio-level. The LTCIP, while providing a foundation for prioritisation, does not provide the detailed evidence base to support future investment decisions alone.

To that end, IWA recommends that future planning be supported by a rigorous analysis of custodial cohorts and regional options as part of long-term planning, incorporating a broader range of intervention options (including non-infrastructure responses) and comprehensive evaluation methodologies. This will ensure that future infrastructure proposals are defensible, evidence-based, and aligned with the evolving needs of the custodial estate.

3.2 Problems and opportunities

IWA considers the PDP clearly articulates the urgent need to increase adult prison bed capacity with demand already exceeding operational capacity. This shortfall in capacity has been managed through temporary measures such as double and triple bunking, but these are now at their practical limits. The absence of a dedicated emergency management buffer—typically 5–15% of capacity—further constrains the system's ability to respond to incidents, maintenance outages, or natural disasters.

The PDP describes intended project outcomes as: improving staff and prisoner safety and wellbeing, improved community safety and a more cost-effective Justice system.

The expansion of Acacia Prison presents a time-sensitive opportunity to address potential impacts of prison crowding, which can include the risks of increased incidents of self-harm and assaults on detainees and staff, reduced access to rehabilitation programs, and increased operational and economic costs from higher maintenance, reduced staff retention, and increased release on contingency measures.

The project offers a relatively low-cost and fast-tracked solution, with the preferred 320-bed option scheduled for completion by November 2028. A further expansion incorporating an additional 160 beds also appears technically feasible, and while not yet fully considered as part of this PDP, could be progressed at a later date.

Beyond providing additional system capacity, the project enables other operational improvements. The design includes modular cells, roofed courtyards, and dedicated support buildings for education, health, and industries. These features support structured prisoner days and reduce reliance on the existing Acacia facility. The inclusion of a standalone wastewater treatment plant and new electrical substation addresses known infrastructure constraints and future-proofs the site for additional capacity if required.

4. Options assessment

The options assessment for APEP was undertaken within the parameters set by previous government decisions for a 320-bed expansion at Acacia Prison. As such, the PDP focused on refining site layout and design configurations that could deliver this scope efficiently, while allowing for future scalability.

Three site layout options and three reference design models were considered through a Multi-Criteria Analysis (MCA) process. The medium footprint site was selected as preferred, offering capacity for 2 accommodation units and provision for a third, with lower cost and risk compared to alternatives. Among the design models, the Bunbury Unit 6 layout was chosen primarily for its cost advantage, despite the Casuarina model scoring higher on operational criteria.

IWA considers the options assessment process to be appropriate within the constraints of prior government direction. However, future planning at a portfolio-level should incorporate quantified analysis early in proposal development and consider broader intervention strategies to strengthen the evidence base for investment decisions.

5. Societal impacts

5.1 Economic and financial assessment

Capital costs for the preferred 320-bed option are estimated at \$181.1 million (ex GST), equating to approximately \$570,000 per bed. These per bed costs reflect updated site planning, infrastructure upgrades, and lessons learned from previous projects. The cost plan includes allowances for a standalone wastewater treatment plant, new electrical substation, roofed courtyards, and additional car parking.

The cost estimate includes a detailed deterministic contingency which is considered acceptable relative to the stage of design development.

Operational and recurrent costs have been estimated in the PDP but are subject to an operational agreement being finalised. The risk that this may potentially impact overall value-for-money and potential operational efficiencies is well identified and articulated, and appropriate mitigation measures have been implemented where practicable.

A rapid Cost-Benefit Analysis (CBA) was completed in October 2025 to assess 7 variants of the preferred option. Option 3.4, which includes the third unit (480 total beds), demonstrated the highest total benefits (\$53 million) and Benefit–Cost Ratio of 0.117, though all options returned negative Net Present Values. These results are not considered unusual in sectors, such as custodial infrastructure, where benefits are difficult to monetise.

IWA considers the use of a CBA to be good practice and recommends that future planning across the Justice portfolio adopt this approach and incorporates quantification of rehabilitation outcomes and broader social impacts. The Benefits Plan developed alongside the PDP, is considered good practice, provides a framework for tracking both quantified and qualitative benefits and should be used to inform future investment decisions and continuous improvement across the custodial estate.

5.2 Social assessment

The social impacts of APEP have been considered through a Benefits Plan and stakeholder engagement process. The project is expected to deliver improved safety outcomes for staff, detainees, and the broader community by reducing overcrowding, increasing out-of-cell hours, and enhancing access to structured programs. These outcomes will be monitored via measurable indicators, including reductions in assault incidents, increased rehabilitation participation and improved detainee placement efficiency.

The expansion will enable better management of the detainee population by facilitating quicker detainee assessment and transfer to appropriate facilities, including minimum-security prisons and work camps. This is expected to reduce prisoner transfer costs and improve operational efficiency across the custodial estate. The project also supports improved outcomes for prisoners through

increased access to education, health services, and vocational training, which are linked to reduced rates of recidivism and self-harm.

It will be important to establish the necessary base data, collect and measure the indicators over time and incorporate a feedback loop to facilitate continuous improvement, as part of the Benefits Plan.

5.3 Environmental assessment

The APEP aligns with broader environmental policy objectives of the WA Government, including emissions reduction targets and sustainability principles. The PDP outlines a range of environmentally sustainable design features, including passive solar control, modular construction, and water-efficient fixtures. These measures align with the WA Government's target to reduce greenhouse gas emissions by 80% below 2020 levels by 2030. While quantitative modelling of environmental impacts is limited, the project's design intent reflects a commitment to long-term sustainability and whole-of-life asset planning.

The preferred Option 3 layout was selected in part due to its reduced environmental footprint, avoiding high-voltage line diversions and minimising bushland clearing. The site comprises a mix of farming land and native vegetation, and advice from the Department of Water and Environmental Regulation indicates that the project is likely to meet exemption requirements under the Native Vegetation Clearing Permit process.

Preventative maintenance will be managed through a Building Information Modelling (BIM) system and integrated Computer-Aided Facilities Management platform, supporting sustainability by maximising operational efficiency and extending asset life. These systems will enable continuous monitoring of asset condition and support whole-of-life cost planning.

IWA considers the environmental assessment to be sufficient but recommends that future planning across the portfolio include quantified carbon emissions. Opportunities to integrate low-carbon alternatives should also be explored to strengthen environmental outcomes and support WA's Net Zero transition.

6. Recommended Option: Project definition

The recommended project option proposes the delivery of 2 new 160-bed accommodation units (total 320 beds), with provision for a third unit to expand capacity to 480 beds. This reflects previous government decisions.

Key features of the preferred option include:

- Design based on Bunbury Unit 6, selected for cost efficiency and ability to meet the 320-bed target.
- Standalone infrastructure: wastewater treatment plant, electrical substation, fire services, and ICT upgrades.
- Support buildings: education, health, industries, and recreation facilities designed to operate independently from the existing prison.
- Modular cells: configured for surge capacity and future triple bunking, with air conditioning and roofed courtyards.

The total capital cost is estimated at \$181.1 million (ex GST) planned to be operational by November 2028. A strategic opportunity exists to deliver the third unit (additional 160 beds) during construction but this is yet to be fully considered.

IWA considers the recommended option to be a cost-effective, scalable solution that addresses immediate custodial pressures while enabling future expansion with minimal disruption.

7. Deliverability

The APEP is supported by a comprehensive implementation strategy that reflects lessons learned from previous custodial infrastructure projects and is structured across planning, procurement, construction, commissioning, and operationalisation phases. The strategy is underpinned by

governance, assurance, and risk management frameworks, and is aligned with the Western Australian Government's Public Sector Reform and procurement policies.

Governance arrangements for the APEP are robust and multi-layered, involving oversight from the Custodial Infrastructure Inter-Agency Steering Committee (CIIASC), a dedicated Project Control Group (PCG), and the Operational Planning Advisory Group (OPAG). The governance framework is designed to support efficient decision-making, risk management, and stakeholder engagement, with regular reporting and milestone reviews embedded into the project lifecycle.

As noted above, risks related to handover are well-managed while final negotiation with the operator are awaiting finalisation.

The procurement strategy was informed by market sounding and a separate MCA workshop. A single-stage design and construct delivery model was selected as the preferred contractual approach, with a separate package for the wastewater treatment plant to encourage innovation and allow for alternate designs. The inclusion of a bid contribution allowance aligns with WA's Bid Contribution Policy and is expected to support a competitive tender process.

The project is scheduled for delivery over a 3-year period with commissioning at the end of 2028.

The project will undergo Gateway Reviews at key phases, including Gateway 4 (Tender Decision) and Gateway 5 (Readiness for Service) which IWA considers prudent.

Risk management is embedded across all phases, with schedule contingency incorporated and a consolidated risk register is maintained by the Office of Major Infrastructure Delivery (OMID) and reviewed quarterly. IWA considers that quantitative risk assessment using Monte-Carlo methods for cost and schedule risk assessments should be encouraged for future proposals across the portfolio.

The approach to risk management in the PDP is considered appropriate and identifies a management approach for residual risks related to procurement (insufficient construction market capacity), land assembly, unsuitable ground conditions, approvals and utility compliance (potential requirement to upgrade the existing facility); and schedule (potential high voltage overhead diversion and seeking a second high voltage supply).

IWA considers implementation approach is robust and that the project is well-positioned for successful delivery, subject to continued governance discipline, proactive risk management and effective market engagement.