

OFFICE OF THE INSPECTOR  
OF CUSTODIAL SERVICES



## **RESPONSIBLE MINISTER**

Minister for Justice

The Hon. Michelle Roberts, MLA

## **ACCOUNTABLE AUTHORITY**

The Office of the Inspector of Custodial Services

## **ACCESS**

Level 27, Governor Stirling Tower

197 St George's Terrace

PERTH WA 6000

## **CONTACT**

Telephone: (08) 9212 6200

Facsimile: (08) 9226 4616

Email: [corporate@custodialinspector.wa.gov.au](mailto:corporate@custodialinspector.wa.gov.au)

Web: [www.custodialinspector.wa.gov.au](http://www.custodialinspector.wa.gov.au)

## **ABOUT THIS REPORT**

This report is prepared to satisfy the Office's accountability to Parliament, pursuant to Part XA of the *Prisons Act 1981*, Part V of the *Court Security and Custodial Services Act 1999*, and the requirements of the *Financial Administration and Audit Act 1985*.

It is also designed to enhance understanding of the Office's activities. This report plays a significant role in communicating aspects of the Office's work to the wider Western Australian community.



This document uses environmentally friendly paper, comprising 50% recycled and 50% totally chlorine free plantation pulp.

# Contents

<b>PART 1 – The Work and Responsibilities of the Office of the Inspector of Custodial Services</b>	<b>2</b>
1. The Completion of the First Inspection Cycle	2
2. Liaison Visits	2
3. Inspection Debriefs	2
4. Inspections Completed and Reports Tabled During 2002/03 & Inspections Scheduled for 2003/04	3
5. Thematic Reviews, Reports and Discussion Papers	4
6. Ministerial Directions	4
7. Inspection Standards and Implementation of Recommendations	5
8. International Best Practice Standards	6
9. Staffing and Secondment Arrangements and the Role of Expert Inspection Officers	6
10. Independent Prison Visitors Scheme	10
11. Community Consultation and Public Education	10
12. Relations With Other Agencies	11
13. Statutory Change	11
14. The Department of Justice and the Administration of Prisons	12
15. Conclusions	16
<b>PART 2 – Corporate Matters</b>	<b>17</b>
1. Corporate Ethos	17
2. Internal Structure	18
3. Industrial Relations	18
4. Enabling Legislation	18
5. Legislation Administered	18
6. Responsible Minister	18
7. Outputs (goods or services) Provided to the Public Sector in WA	18
8. Senior Officers	19
9. Publications	19
10. Contracts with Senior Officers	19
11. Highlights of the Year	20
12. Changes in Written Law	20
13. Ministerial Directives	20
14. Staff Profile	20
15. Disability Services Plan	20
16. Equal Employment Opportunity	21
17. Partnered	21
18. Waste Paper Recycling	21
19. Freedom of Information	21
20. Staff Development	21
21. Workers Compensation	21
22. Continuing Research and Development	22
23. Major Promotional, Public Relations or Marketing Activities	22
24. Pricing Policies on Outputs	22
25. Electoral Act 1907 Section 175ZE	22
26. Legislation Impacting on the Office's Activities	22
27. Outcomes, Outputs and Performance Information	26
<b>PART 3 – Financial Statements</b>	<b>30</b>

## The work and responsibilities of the Office of the Inspector of Custodial Services

### 1. THE COMPLETION OF THE FIRST INSPECTION CYCLE

The Office of the Inspector of Custodial Services was formally established in June 2000, and became fully operational in December of that year. Its statutory obligation is to inspect each prison at least once every three years. The on-site phase of the first cycle of inspections was completed on 9th May 2003, seven months ahead of the statutory deadline.

Fourteen reports relating to these inspections have now been tabled in the Parliament, and three more (those relating to Albany, Acacia and Greenough Prisons) are in the pipeline. These will be tabled before the end of 2003. Two prisons - Eastern Goldfields and the Special Handling Unit of Casuarina - have been inspected and reported upon twice. These are the only prisons that have so far been subjected to unannounced inspections, and in each case a follow-up inspection to check progress and the implementation of recommendations had been considered necessary.

Other "custodial services" - meaning prisoner transportation arrangements and Court Custody Centre facilities - likewise must be inspected at least once every three years. Statewide transportation services had been inspected progressively during 2001; Metropolitan Court Custody Centres later that year; and the on-site phase of the Inspection of Regional Court Custody Centres was completed on 21st July 2003. Reports on the first two inspections have been tabled previously, and the third Report will be tabled before the end of 2003.

### 2. LIAISON VISITS

As explained in earlier Annual Reports, the Office has adopted a methodology of "continuous inspection". This takes the form of regular liaison visits by designated Inspections Officers to prisons across the whole state. The purpose of this practice is to check progress following an inspection and report back in a relatively informal way and, more broadly, to "take the pulse" or "read the atmosphere" of a prison and its operations with a view to assessing its place in the inspection cycle or. In other words, this is a way of measuring the "proportionate risk" each prison poses and determining to what extent it has earned "relative autonomy".

During the year, some publicity was given to the fact that the Office has what we call an "Alert List". A prison's presence on this list is determined by the process of continuous inspection, as described above. At the present time, Bandyup Women's Prison, Hakea Prison and Acacia Prison are on the Alert List, in the sense that their risk profile is such that they should preferably be re-inspected before the expiry of the normal three-year cycle. Roebourne Regional Prison was also on that list and is scheduled to be re-inspected in November 2003 - nineteen months after the first inspection.

The corollary of this methodology is that the continuous inspection approach may lead a prison to be taken off the Alert List, and this is what in fact has happened in relation to the Eastern Goldfields Regional Prison. It is considered that this is a cost-effective and time-efficient way of utilising the finite resources of the Office. The number of liaison visits per annum is one of the Office's Key Efficiency Indicators: see Part 2 of this Report.

### 3. INSPECTION DEBRIEFS

The practice has consolidated whereby the Inspector, or in his absence the Director of Operations, gives a comprehensive verbal debrief to the prison management and other relevant Department of Justice personnel at the conclusion of the on-site phase of an inspection. The objective of these debriefs is to highlight matters that the Inspector considers are clear-cut or urgent, so that the Department may commence addressing these before the process of drafting a full Inspection Report has been completed. It is always emphasised that a debrief is not a substitute for a full Inspection Report, but by the same token it is prepared with sufficient care to be taken as a reliable guide to the overall tone and direction of the full Report.

To enhance the value of these debriefs, they are transcribed within the Office, edited for clarity and distributed in written form to a list of relevant personnel on a confidential basis. Typically, a debrief will be available in this format within ten days. It is evident from the reaction of the Department of Justice that this approach is regarded as useful, and it is now an established part of the inspection methodology. From the point of view of the Office, it also means that what might otherwise be seen as excessive delay between the completion of the inspection and the tendering of a Draft Report is more acceptable.

#### 4. INSPECTIONS COMPLETED AND REPORTS TABLED DURING 2002/03 AND INSPECTIONS SCHEDULED FOR 2003/04

In accordance with section 109N(2)(e)(i) of the *Prisons Act*, the Inspector has for the purposes of this Report prepared a list of the prisons that have been inspected since 30th June 2002. Similarly, in accordance with section 89(1)(e)(i) of the *Court Security and Custodial Services Act*, the Inspector has prepared a list of the Court Custody Centres and other "custodial services" that have been inspected since 30 June 2002. These lists were prepared on 5th August 2003. They are as follows:

##### PRISONS 2002/03

- Bandyup Women's Prison - announced Inspection commenced in June 2002 and resumed and completed in November 2002;
- Albany Regional Prison - announced Inspection, September 2002;
- Wooroloo Prison - announced Inspection, October/November 2002;
- Bunbury Regional Prison - announced Inspection, December 2002;
- Acacia Prison - announced Inspection, March 2003;
- Greenough Regional Prison - announced Inspection, May 2003.

##### COURT CUSTODY CENTRES 2002/03

- Regional Court Custody Centres (Broome, Port Hedland, Carnarvon, Geraldton, Kalgoorlie, Bunbury and Albany) - announced Inspections, June/July 2003.

The reports tabled in Parliament during the year are set out in Section 9 of Part Two of this Report. It should be emphasised that the tabling schedule does not precisely overlap with the inspections schedule. Thus, some inspections carried out in 2001/02 are the subject of reports that were tabled in 2002/03; and likewise some inspections carried out in 2002/03 will be the subject of tabled reports during 2003/04.

Inspections to be carried out during 2003/04 are as follows:

- Roebourne Regional Prison - announced Inspection, November 2003;
- Karnet Prison Farm - announced Inspection, April 2004;
- Broome Regional Prison - announced Inspection, June 2004.

In addition the Rangeview Juvenile Detention Centre will be inspected in February 2004 if the relevant enabling legislation has been passed. However, if this legislation has still not been enacted, another prison inspection - relating either to a prison on the current "Alert List" or to Casuarina Prison - will be brought forward. Also, consideration will be given to a follow-up inspection of Adult Prisoner Transportation Services, depending upon the status of the contract arrangements between the Department of Justice and AIMS Corporation; these are currently under review by direction of the Government.

In addition, the Office will complete a thematic review, as well as take another thematic issue to the draft report stage.

## 5. THEMATIC REVIEWS, REPORTS AND DISCUSSION PAPERS

Under the *Prisons Act*, the Inspector may “review a prison service at any time, including any aspect of a prison service”. This provision was inserted into the legislation to enable the Office to embark upon an enquiry that would give an overarching view of a service or a set of issues that were common across the prison system, as opposed to inspecting the particular issues relevant to any single prison. During 2001/02, as described in the Annual Report for that year, field work had commenced on a study of practice and policy within the Department of Justice relating to the management of vulnerable and predatory prisoners. During 2002/03 this Report was completed - Report No. 15 - and was tabled in Parliament.

During the year the Office also developed an innovative approach to thematic issues. In relation to the question of Cognitive Skills Training, the Office commissioned a discussion paper instead of moving directly to the stage of publishing a draft Report. The cognitive skills approach towards both prisoner offender programs and officer training has been widely embraced by the Department of Justice, and questions thus arose as to its efficacy and as to the implementation processes. The discussion paper was drafted during the second half of the 2002/03 financial year, and was distributed to a wide range of potential respondents going far beyond the narrow range that normally is entitled to receive draft reports. In the light of the responses received, this discussion paper will be taken to the stage of a draft report, at which point the normal statutory processes for giving affected parties an opportunity to reply or make inputs will come into play. A thematic Report on Cognitive Skills will thus be completed and tabled in Parliament during the 2003/04 financial year.

Work also continued upon a thematic Report relating to prisoner health services. It is anticipated that this will be available in draft form during the 2003/04 financial year.

## 6. MINISTERIAL DIRECTIONS

Under the *Prisons Act*, section 109L(6), the Minister is entitled to direct the Inspector to review an aspect of a prison service. On 14th April 2003 the Minister directed the Inspector to conduct an enquiry into deaths at Hakea Prison. The Terms of the Direction were as follows:

“I am concerned about the number of deaths that have occurred at Hakea Prison since January 2001 and am especially concerned about the apparent cause of death by hanging in some of these cases. I note the two most recent suicides were young Aboriginal men.

Pursuant to section 109L(2) of the *Prisons Act* 1981, I direct you to review the operations of Hakea Prison relating to the deaths of these people.”

This Direction followed full consultation, and subsequently Terms of Reference were developed and signed off by the Minister. They included a provision that a Report would be submitted to the Minister by 31st October 2003.

This Review has already, by the end of the financial year, turned into one of the most intensive pieces of work done by the Office. Virtually all the inspections and research staff have been involved. It was considered by the Inspector that the widest possible consultation with stakeholders and affected parties should take place and, in particular, that families of deceased prisoners should have a chance to make their voices heard.

Hakea is the most problematic prison in the state (see Report No. 12), and it is apparent that the Review will shed light not only on issues relating to deaths in custody throughout the prison system but also upon the current functioning of Hakea Prison generally. This matter will be reported on more fully in the next Annual Report.



## 7. INSPECTION STANDARDS AND IMPLEMENTATION OF RECOMMENDATIONS

As discussed in the previous Annual Report, the inspection standards of the Office have increasingly revolved around the new operational philosophy of the Department of Justice, developed for the purpose of specifying the scope and standards of prison services that would be expected of a private prison operator and thus enshrined in the Request for Proposals document for Acacia prison tenders.<sup>1</sup> This philosophy attempts to balance the “four cornerstones” of custody, care and well-being, reparation and rehabilitation. These are, of course, only achievable if the resources and systems are adequate to support these objectives - so that these issues become in a sense a fifth cornerstone or at any rate a crucial mechanism.

What the Office looks for in its inspections is an appropriate balance according to the role of the particular prison. As the Department of Justice progressively develops a profile for its prisons, this approach becomes more tangible in its application. Thus, our expectations of a reintegration or releasing prison, such as Karnet or Wooroloo, would be different in terms of both their custodial arrangements and their reparation and rehabilitation arrangements than, say, our expectations of a maximum-security prison such as Casuarina, where custodial arrangements and care and well-being should receive a greater weight. The approach of the Office, therefore, has been twofold: to evaluate whether services falling within each of the four cornerstones are delivered to an appropriate standard and are properly supported by available resources and systems; and to assess whether the balance between the cornerstones is appropriate for the particular prison. This comes through in each of the published Reports to date.

There appears to be an evolving international consensus that broad factors such as these should be taken into account when evaluating a prison’s performance. The UK Chief Inspector of Prisons has led the way with the “healthy prison test” - (a) that the weakest prisoners should feel safe; (b) that all prisoners are treated with respect; (c) that the prison regime be purposeful; and (d) that there be preparation for release. The further reference to the need for staff to be respected is shorthand for ensuring that resources and systems are appropriate to achieve a healthy prison.

Correctional Service Canada has identified its strategic outcomes in similar terms: care, custody, reintegration and corporate management. “Care” focuses on a safe environment for those living and working in the prison system; “custody” emphasises safe, secure, humane accommodation and management systems and regimes; “reintegration” takes in the notion that both work (reparation) and programs (rehabilitation) assist in the preparation for release; and “corporate management” encompasses the notions expressed in Western Australia by the notion of resources and systems.

In practical terms, therefore, the criteria in these two other jurisdictions, when given detailed substance, overlap closely with those of the Western Australian “new operational philosophy.” In inspecting against these standards, this Office is very much in the mainstream.

The necessary extension of this approach is that overall management systems inevitably become a matter of interest and concern. If the resources and systems are not available to permit an appropriate balance for a particular prison to be achieved, the likelihood is that this goes back to central management decision-making and resource allocation. It is for this reason that the Office quite often in its reports comments upon Head Office matters. By the same token staffing attitudes and, where relevant, union approaches are relevant to the overall understanding of a prison’s performance.

In the case of the privately managed prison, Acacia, the corporate arrangements of the operator, AIMS Corporation, were also judged to be relevant to the inspection inasmuch as they seemed to constitute

<sup>1</sup> This document is discussed at length in the Report of an Announced Inspection of Casuarina Prison: October 2001, Report No. 9 of this Office (2002).

something of a blockage to the attainment of the desirable service standards on site. Accordingly, the draft Report - distributed in June 2003 - made reference to these matters. They were to some extent inextricably linked to the contract management protocols within the Department of Justice, so that these too were the subject of comment. In the Inspector's view, observation and evaluation of on-site prisoner services is only fully meaningful and comprehensible in the light of these contextual matters.

With regard to acceptance, the Table relating to Key Effectiveness Indicators set out in Part 2 of this report shows that 185 out of 196 recommendations made in the Reports tabled to date have been accepted in whole or in part by the Department or, where relevant, AIMS Corporation. Of course, acceptance is not necessarily the same thing as implementation. There may be delays or subsequent shifts in attitude or changes in the circumstances. What is required is a table that indicates practical implementation. Whilst the Office is able to get some sort of a handle on this through the practice of liaison visits or continuous inspection, the most reliable measure will come via the second cycle of inspections, due to commence in November 2003. One of the avowed objectives, therefore, will be to check out fully and in detail on the ground whether acceptance in principle fully translates into changes of policy and practice.

## 8. INTERNATIONAL BEST PRACTICE STANDARDS

The Office has now, in the course of three years' operation, started to establish an international reputation. For example, the Inspector was interviewed at length early in 2003 by a member of a think-tank that was reviewing inspections services on behalf of the UK Home Office. Previously, he had participated in a plenary presentation at the British Society of Criminology Conference on inspections systems around the world. The co-presenter was Sir David Ramsbotham, the distinguished former UK Chief Inspector of Prisons. In addition, a review carried out on behalf of the Scottish Executive Social Research Unit concerned with the Scottish Inspectorate of Prisons cited the Western Australian Office of the Inspector as representing best practice in terms of inspection methodology.

In addition, the Office maintains links with leaders in the area of prison service standards. During the year Senior Inspections Officer, Peter Upton-Davis, joined the UK Chief Inspector of Prisons on two inspections. In the course of a private visit to Canada, the Inspector visited two prisons in Ontario (one specialising in forensic mental health services and the other a privately-managed prison) and held extensive follow-up discussions with authorities about standards and accountability. On an official visit, the Inspector joined the UK Chief Inspector for part of the inspection of Holloway Women's Prison - experience that was useful for putting the situation at Bandyup Prison into perspective. The Inspector also visited seven other prisons in the UK, two of which are in the top ten percentile of the UK National Audit Office's "traffic light" evaluation of good performance. Consultations were also held with the UK Prisons Ombudsman and the Chief Inspector of Probation.

## 9. STAFFING AND SECONDMENT ARRANGEMENTS AND THE ROLE OF EXPERT INSPECTION OFFICERS

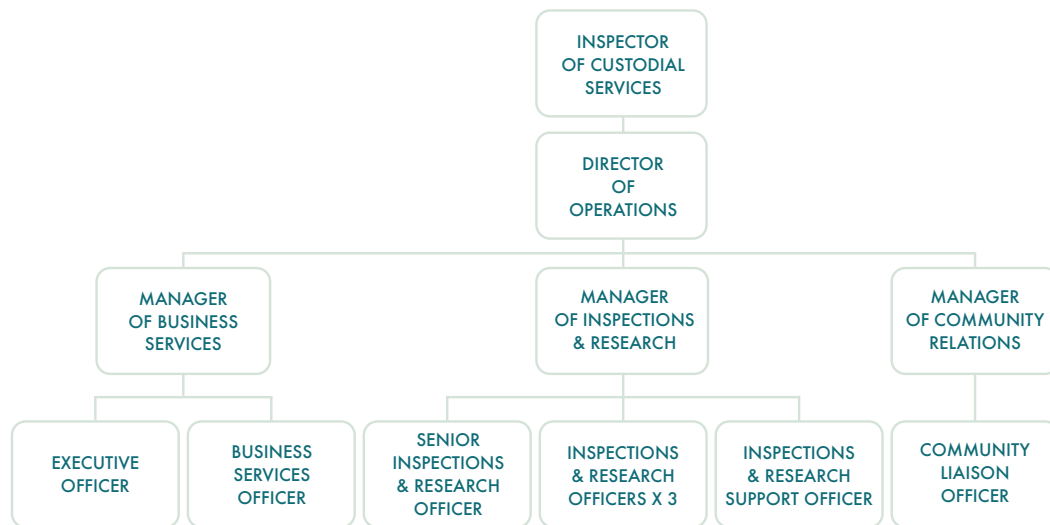
It is with sadness that the Office records the sudden death of Andy Fitzgerald in June 2003. Andy joined the Office as an Inspection Officer in January 2001, as an inaugural member of the Inspection Team. His background lay in law, equal opportunity protocols and human rights, and he brought these perspectives to each of the inspections in which he participated. His links with outside stakeholders were strong, and his role as a liaison officer first in relation to the northern prisons and later in relation to Bunbury and Albany was invaluable. The Roebourne Report and the forthcoming Albany Report both bear his particular stamp. His untimely death left this small office the poorer.

In early July 2003, Lynn Atkinson, Manager Research and Publications, left the Office for a managerial



position on the research side of the Independent Commission Against Corruption of New South Wales. This considerable promotion was a suitable reward for the excellent work that she did for this Office. She had also been a member of the inaugural Inspection Team, and indeed had actually assisted in the unannounced Inspection of Special Handling Unit at Casuarina Prison as a consultant before coming on staff. Her great interest was in women's imprisonment, and both the Nyandi and the Bandyup Reports bear her stamp. Each of them, and in particular, the Bandyup Report, has made a profound impact upon the manner in which the Department of Justice carries out its business. Ms. Atkinson's great contribution to the formative years of this Office is greatly appreciated. Her mark will remain upon the methodologies and standards.

Following the loss of these two staff members, it was decided to reorganise the Office's structure. The new organisational chart is set out below.



What had become apparent in the first three years of operation is that the differentiation between the Inspections Branch and the Research Branch was somewhat artificial. The nature of a small office is that everyone inevitably gets involved, albeit to varying degrees, in all types of activity. Thus, staff on the research side were playing active roles as liaison officers; and Inspection Officers were actively involved in research projects, in particular the thematic review of policies and practices relating to vulnerable and predatory prisoners (Report No. 15) and the review of deaths at Hakea Prison.

Similarly, Inspections Officers participate in drafting reports, and those reports in turn draw upon research information as well as on-site observations. The structure whereby the two functions were regarded as separate seemed capable of constituting an impediment to the total work output. Accordingly, a unified Inspections and Research Branch seems the way to go for the future, though the matter will be kept under review.

What the old and the new organisational charts do not show are the fundamental changes made to the business services side of the Office. When first established, the Office had outsourced its HR, IT and Financial Services to other government departments. However, general government policy made a continuation of this arrangement no longer sustainable, and it was necessary to migrate these services in-house. This was successfully achieved during the year, and it is a great tribute to the Business Services Manager, Derek Summers, that this was done so smoothly. In-house systems and duties have been realigned so as to ensure that this new arrangement is cost-effective and time-efficient. The Office's

Internal Audit Report noted that “all data was transferred completely and accurately” and that the internal control environment within OICS is strong.”

With regard to secondments, the enabling legislation specifically contemplates that the Inspector may “by arrangement with the relevant employer make use of the services of any officer or employee” working elsewhere in the public service. In other words, Government policy encourages the sharing of State resources and expertise.

In this regard, a very important development was the out-posting of a Department of Indigenous Affairs Officer, Mr. Joseph Wallam, to the Office for a two-year period. This was done with Ministerial approval on both sides and in the clear expectation that funding will be made available for the continuation of the employment of an Aboriginal Community Liaison Officer after the expiry of the two-year out-posting arrangement. In Western Australia, where one-third of the prison population is Aboriginal, it is absolutely essential that an Office such as this has good communication links not only with Aboriginal prisoners but with all the peak Aboriginal bodies both in Perth and in the regions. Mr. Wallam has proved an ideal appointment in this regard and has already demonstrably enhanced the effectiveness of the Office.

The Department of Justice has continued its practice of seconding an officer to this Office on a rolling twelve-month basis. The purpose is to ensure that this Office remains fully in touch with operational matters on the ground, and the presence of an experienced officer as part of the Inspection Team is an ideal way of achieving this.

The seconded officer who was with the Office at the commencement of 2002/03, Ms Marie Chatwin, left prematurely to take up the position of Assistant Superintendent for Prisoner Management at Bandyup Women's Prison. She had done an invaluable job, and it was a sign both of the high regard with which she was held in the Department of Justice and of the development that had occurred during her six months with this Office, that she was invited to take up that position on an acting basis. This epitomised the other purpose of the secondment arrangement - to contribute to the career development and skilling of line or middle managers from the uniformed side of the Department of Justice Prisons Division.

Ms Chatwin was replaced by Ms Kerri Bishop, a Senior Officer from Wooroloo Prison whose experience included service at a regional prison and at Bandyup Women's Prison. Ms Bishop has also proved to be an invaluable member of the Inspection Team.

As mentioned in earlier reports, a key aspect of the Inspections process is to involve suitable experts seconded in temporarily from other Departments. This has become a regular practice with regard to the Department of Health and the provision of a medically qualified practitioner - Dr Peter Barrett - to assist our own health expert, Ms Jocelyn Jones.

Similarly, the Department of Agriculture had previously assisted us in the Inspection of Karnet Prison Farm. The objective at that time had been to assess not only whether the farm was being run efficiently as a farm but also whether agricultural activities were tied in appropriately with the correctional aims and programs of the prison. The same objective needed to be explored at both the Albany Regional Prison Inspection, in relation to the Pardelup Farm Work Camp, and with the Wooroloo Prison Inspection. The resultant reports were extremely valuable; in each case they form an appendix to the Prison Inspection Report itself. The consequence is that all three of the main farming components in the prison food chain have now been inspected. It is now possible for the Department of Justice to take an overview of its farming activities, and the Inspector has recommended directly to the CEO of the Department that this be done jointly with the Department of Agriculture. There appears to be some potential for the two Departments to coordinate their activities to their mutual benefit.

The most important use of experts from other Departments during this year related to the Acacia Prison Inspection. The contract for the private management of Acacia Prison represents a major state investment, to the value of \$500 million in year 2000 terms over the next twenty years. In that context, the contract management capacity of the Department of Justice as well as the financial practices of the contractor were of great relevance to the Inspection. At the request of the Inspector, the Auditor General readily made available two of his expert staff - Mr Peter McCann and Mr John Hull - to assist in these aspects of the Inspection. Their contribution was invaluable; it would have been well nigh impossible to carry out this particular Inspection in an appropriate way and to the required depth without the assistance of these personnel.

The Drug and Alcohol Office also made an officer available for the inspection of Greenough Regional Prison. During the year the Minister and the Department had highlighted the need for a total drugs plan or strategy for the Western Australian prison system. Following a Round Table, held in February 2003, at which the Office was represented, a formal plan was promulgated and laid before Parliament. Drug issues have always been of concern to this Office, and it seemed in this context that a greater degree of expertise than was available in-house should be brought to bear in these matters. Accordingly, an experienced officer from the Drug and Alcohol Office, Ms. Dace Tomsons, participated in that Inspection. Her contribution was extremely valuable, adding a dimension that might otherwise have been absent.

The foregoing examples served to emphasise that inspections of prison services partakes of a whole-of-Government nature; wider skills and expertise are required than merely those relating to prison regimes and prisoner services. The expert services made available by other Departments and agencies are crucial to the optimum functioning of this Office. The Inspector wishes formally to record his great appreciation of the support and assistance of the following persons: Mr Richard Curry (Director General of the Department of Indigenous Affairs); Mr Alan Piper (Director General of the Department of Justice) and Mr Terry Simpson (Executive Director Prisons); Mr Mike Daube (Director General of the Department of Health); Dr Graeme Robertson (Director General of the Department of Agriculture); Mr Des Pearson (Auditor General); and Dr Denzil McCotter (CEO of the Drug and Alcohol Office).

Of course, some expertise must also be brought in from other sources. The 2001/02 Annual Report listed seven external and non-Departmental experts who assisted the Office. In 2002/03 there were four such persons: Dr Keith Carter, Dr Neil Morgan, Mr John Podmore and Professor Anne Worrall.

The first three were involved in the complex Acacia Inspection. Dr Carter, who is Director of Criminology at Chester College of the University of Liverpool, had previously carried out the Office's fieldwork relating to vulnerable and predatory prisoners, and he returned to follow up his earlier observations at Acacia Prison and also to assist with issues relating to staff attitudes and morale. Mr Podmore, who is a senior governing governor within the U.K. prison system, examined security arrangements at Acacia, and his observations formed the basis of the Inspector's confidential report to the Minister. Dr Neil Morgan was retained both as an expert in re-settlement and re-entry arrangements and also as an experienced and highly skilled writer in the areas of sentencing, corrections and imprisonment.

Professor Worrall, who is Head of the Department of Criminology at the University of Keele (UK) and an academic adviser on programs to the UK Probation Service, was commissioned to draft the Discussion Paper on Cognitive Skills, mentioned previously. She also made input into the final draft of the Bandyup Inspection Report.

Reference has been made above to the fact that some reports have been delayed so that the lapse of

time between the on-site phase and the tabling in Parliament is not satisfactory. This problem is being addressed in-house, but meanwhile the importance of the Acacia Inspection and Report was such that the Inspector deemed it desirable to take it “off-line” and ensure that the writing task could commence promptly and be taken to a conclusion in good time. Dr Morgan was retained to take primary responsibility for this task.

This objective was achieved; the draft Report was distributed to the relevant parties just over three months after the conclusion of the on-site phase of the Inspection. In a context where the initial privatisation decision was publicly controversial and where there is still active political discussion about the arrangements, it was crucial that the Office should move this Inspection Report forward as quickly as was consistent with the attainment of the appropriate quality.

## 10. INDEPENDENT PRISON VISITORS SCHEME

The Independent Prison Visitors Scheme (formerly described as the Official Visitors Scheme but re-named with the consent and approval of the Minister) continued to be administered by the Office. The recruitment process continued successfully, so that by year’s-end there was a virtually equal distribution by gender and also three Aboriginal visitors had been appointed. As reported in Part Two, Independent Prison Visitors made 99 visits during the year. This compares with 68 such visits in the previous year.

The Scheme, as administered, by this Office has now become an integral part of the accountability mechanisms relating to prison services in Western Australia. It is still under development, however, with additional clarification still required as to the precise scope of Visitors’ activities both with regard to complaints and more generally as to their reporting function. These issues were explored at the annual training conference and will be re-visited in 2003/04.

## 11. COMMUNITY CONSULTATION AND PUBLIC EDUCATION

The Community Consultative Council continued to meet during the first half of the 2002/03 year. However, the Inspector decided that its role was not sufficiently dynamic and interactive to fulfill satisfactorily the purpose for which it had been created. Accordingly, as from 1st January 2003 a new scheme was initiated under the rubric of the “Community Reference Group”. Essentially, a narrower group of more directly affected stakeholders has been drawn upon: representatives of Outcare, Prison Fellowship, the Deaths in Custody Watch Committee, the Prison Reform Group of Western Australia, the Heads of Churches Association, the South-West Zone ATSIC Commissioner, and the ATSIC W.A. State Council. This group has met twice since its inception, and the meetings have been interactive and valuable. As stakeholders, each of these bodies was invited to make a submission to the Deaths in Custody at Hakea Prison Review, and their inputs are very much valued.

The Office endeavours to enhance public knowledge and understanding of the role of independent prison inspection in various ways, including presentations by the Inspector. During 2002/03, these included: the Forensic Psychiatry Association of W.A., Anglicare, the Public Health Association of Australia, and a Master of Criminal Justice class at the University of Western Australia. He also delivered the graduation address to AIMS personnel. Other Inspectorate staff addressed training programs and attended various staff and prisoner graduations and events to brief groups on the role of the Office. Activities of this kind will be progressively increased as the Office evolves.

## 12. RELATIONS WITH OTHER AGENCIES

As required by statute, appropriate relations were maintained with the Anti-Corruption Commission, the Director of Public Prosecutions and the Ombudsman.

In the 2000/01 Annual Report, attention had been drawn to the fact that there are both practical and theoretical difficulties in differentiating between a personal complaint (which must be passed on to the Ombudsman) and a matter that is indicative of a system failure (which to that extent is a matter for the Office). Those difficulties have not entirely resolved and have, if anything, become more complex. Whilst this Office has faithfully complied with its statutory obligations, it must be reiterated that, as was stated in that earlier report, there is a case to be argued for a "one-stop shop" for prisoner service matters. Prisoners find the current arrangements confusing and frustrating.

Good relations were also established with the Departments that contributed expert inspectors to various inspections, as mentioned above. Also the Inspector continued to participate in the affairs of the Offender Health Council - a body that seems to be taking the issues relating to prisoner health services forward somewhat.

In addition to the Minister, other Parliamentarians were briefed as appropriate (for example, local MPs at regional prison inspections), and the Inspector appeared before the Estimates Committees of both the Legislative Assembly and the Legislative Council. On each occasion considerable cross-party support for the role and performance of the Office was apparent.

Above all good working relationships were maintained with Justice, as the Department responsible for prisons. Regular meetings were held at officer level with the Department of Justice, and the Inspector has met regularly with both the CEO of the Department and the Executive Director Prisons as well as other Directors within the Prisons Division. The Department has established a position of Project Manager, Custodial Inspections, as the day-to-day contact person for dealings with this Office, and this arrangement is working well. In these ways the Office is able to ensure that its activities remain firmly based in current realities though without over-identifying with the concerns and preoccupations of the operational personnel.

Good working relations have also been maintained with AIMS Corporation, the private contractor. Regular meetings were held with the CEO of AIMS and the heads of their two operations in Perth - Acacia Prison and the Court Security and Custodial Services - as well as with their senior consultant. Finally, the Inspector had excellent relationships with the Minister, The Hon. Jim McGinty, and his Chief of Staff. Late in the year a Cabinet reshuffle meant that a new Minister, The Hon. Michelle Roberts, took over portfolio responsibilities for the Department of Justice and related agencies, including this Office.

## 13. STATUTORY CHANGE

For virtually the whole of 2002/03, the Office and the Department of Justice, with the assistance of Parliamentary Counsel, worked upon the development of draft legislation - the Inspector of Custodial Services Bill - that would bring together under one umbrella all the legislation relating to the activities of this Office. The opportunity was taken to clarify anomalies and uncertainties in the earlier legislation, as well as to confirm that the Independent Prison Visitors Scheme should be run from this Office on behalf of the Minister. In addition, and most significantly, the Inspections jurisdiction was to be extended to Juvenile Detention Centres. This process was a satisfactory one in that the affected parties were able to reach full agreement on the crucial points. The then Minister confirmed at the Estimates Committee Hearings that this legislation would be introduced in 2003. At the time of drafting this Report, this matter is now with the incoming Minister for consideration.

It was stated in the previous Annual Report that a Memorandum of Understanding with the Department would be developed as to the precise modus operandi of persons authorised by the Inspector under the relevant statutes. The intention was that this would be done in the light of the amended legislation. The current situation is that wide agreement as to the broad scope of such a memorandum has been reached but nothing has been formally implemented at this stage. In practice, however, the problems that have previously manifested themselves seem to be quiescent or to have been resolved.

## 14. THE DEPARTMENT OF JUSTICE AND THE ADMINISTRATION OF PRISONS

### GENERAL PROGRESS: RE-ENTRY, DRUGS PLAN, COGNITIVE SKILLS AND RE-PROFILING PRISONS

It should be put unequivocally upon the record that the W.A. prison system is in better shape today than it was three years ago, when this Office commenced its operations. There is a greater sense of purpose, and improved focus upon both processes and outcomes.

It has been recognised that preparing prisoners for release - or "re-entry" it has been described in the Western Australian context - is a primary objective for the bulk of prisoners in the system. Related to this the whole question of a Department-wide Drugs Plan has been developed; this is both desirable in itself and a prerequisite of any successful re-entry policy. An energetic and committed start has been made to planning the implementation of the priority aspects of this Plan. Likewise, the emphasis on cognitive skills training is in reality something that above all should prepare prisoners for coping better in the outside world - though, of course, it is also relevant to their in-prison behaviour and coping. Underpinning these matters has been an attempt to re-profile prisons so that each has a clear place in the continuum of imprisonment; though of course in relation to regional prisons it is also necessary that they are able to discharge a wide variety of functions.

### STABLE POPULATION

These developments have been facilitated by the fact that the prison population now appears to have stabilised. As discussed in the previous Annual Report, a sudden loss of prisoner population paradoxically turned out to be no less disruptive to planning than a sudden increase had for five years previously. As far as one can predict, the likely trend for the next few years will be that of gradual, continual and steady increments to the prison population, rather than sudden and drastic increases or decreases. Obviously, that makes the task of managing the whole system considerably simpler.

### BUILDING PROGRAMS

The other factor that has assisted improvement is that the major building initiatives have, for the time being, come almost to an end. The refurbishment of Bandyup Women's Prison has been completed and likewise the principal building works associated with the Hakea project. The main exception to this is that the new Nyandi women's low-security prison is still under construction - though from a management point of view a crucial difference is that this is taking place on a greenfields site rather than within an existing and functioning prison.

### WOMEN'S PRISON SERVICES

The Bandyup Report was very critical of the failings of the prison, and these were largely attributable to a lack of strategic clarity as to the objectives and priorities of imprisonment for women. Women's imprisonment was, in effect, men's imprisonment - for women. The Minister had made this issue a particular focus, and the Department had started to respond to his concerns. A key move during the year was the appointment of a Director of Women's Custodial Services, with responsibility for all



women prisoners wherever they were held. This in turn has facilitated a much better focused response to the recommendations of the Bandyup Inspection Report. There is a long way to go, but distinct early signs that a long period of failure and neglect is being turned around.

#### COMMITMENT TO REGIONAL PRISONS

During the year, a poorly-conceptualised proposal to close two regional prisons was put to Government by the Functional Review Task Force. This caused great anxiety, particularly in the two apparently targeted prisons, Bunbury and Roebourne. The Inspector briefed the Minister as to his strong opposition to this, and the Minister in turn was able to prevail upon the Government that the regional prisons should remain in operation. This incident seems at last to have laid the ghost of possible closure, so that the Department has been able to get on with the business of allocating capital works, clarifying profiles and affirming the place of regional prisons in regional development policy as a whole. A lot of damage was done by this episode, but now there is a way forward.

So these are all good news stories and should be properly acknowledged. Having said that, some major issues and problems remain. They are as follows: prisoner health services: services for Aboriginal prisoners; the loss of minimum-security beds; the continuing lack of an integrated policy for the development of work camps; staffing problems and issues; and centralised management.

#### PRISONER HEALTH SERVICES

The Offender Health Council came into existence early in 2002. This body oversees the development and implementation at a strategic level of prisoner health services as supplied directly by the Department of Justice and supplemented by the Department of Health. The representation thus includes the most senior personnel from those Departments, as well as the Inspector of Custodial Services and the Director of the Office of Health Review.

The establishment of the Council is certainly a welcome step, and has given a new sense of focus to the whole question of prisoner health services. However, it is evident that the two main Departments have differing priorities, and to this point the Council represents a necessary bureaucratic compromise. At this early stage it cannot be said to constitute a lobby group for a fundamental improvement of prisoner health services in the way, say, that the Corrections Health Board of N.S.W. does in relation to prisoners in that state. With the passage of time and the growth and maturity of the Council, however, it is not unreasonable to hope that it will become more of a force in this area.

Unfortunately, simultaneously with this positive development, the allocation of funds within the Department of Justice for prisoner health services has diminished. The Department states that the per-prisoner allocations are in fact greater than previously, and that the reduction in funding mainly reflects the loss of population within the public prisons. That is undoubtedly correct, but does not take full account of the critical mass factor that is relevant to the delivery of hands-on human services. Virtually wherever Inspections Officers go for liaison visits or whenever a full inspection is carried out, particularly in the small regional prisons, the Office is told by nurse managers of the squeeze on their ability to provide services. One nurse manager graphically stated to us that she now runs a crisis response system rather than a health service.

The Department should, in the Inspector's view, re-examine the priority that it gives to prisoner health services with a view to bringing about their improvement. Prisoners constitute a health population with very high needs; and their time in prison could be utilised to improve their health status before they re-emerge as health service consumers in the general community. The Offender Health Council is a natural forum to support the case for greater resources.

## ABORIGINAL SERVICES

The provision of services for Aboriginal prisoners has been a matter of great concern to this Office since its inception. Both of our earlier Annual Reports and specific inspection reports have drawn attention to questions of discriminatory and inadequate services. The Department has responded to these criticisms in a reasonably constructive way, and the slight reduction in the Aboriginal prisoner population has helped in this regard.

However, problems remain. Most notably, even the best-run prisons in the system still, on the whole, allocate Aboriginal prisoners to the lowest level of accommodation. Attention was drawn to this in the Inspection Reports relating to Bunbury, Wooroloo Albany prisons (forthcoming). This was also true at Acacia Prison, and although this is privately managed the Department, through its contract management and monitoring system, could also bring strong influence to bear at that location. As for the "Aboriginal prisons" - Broome, Roebourne, Greenough and Eastern Goldfields - we note that there has been tangible improvement both in regimes and through capital expenditure, and that is very much to be welcomed.

However, far too many Aboriginal prisoners serve their sentences away from their own lands. This causes great distress. For example, during the Acacia inspection, we found about 30 depressed Wongi prisoners, puzzled as to why they were serving their sentences in a cold and exposed location near Perth. Similarly, we frequently have found Kimberley prisoners at Greenough or Pilbara prisoners at Bunbury. Departmental policies and practice as to the disposition of Aboriginal prisoners often seems to exacerbate - inadvertently - the burden of the prison experience and to impede successful re-entry to the community. This issue needs to be addressed urgently.

The other matter that is of increasing concern is the performance of the Aboriginal Visitors Scheme (AVS) run by the Department. Although it is reasonably effective in two or three prisons - and due acknowledgement is always accorded to this in relevant inspection reports - the service is on the whole ineffectual, disorganised and demoralised. Its performance is, perhaps, epitomised by the situations at Greenough Regional Prison and Hakea Prison; at those locations the Visitors do not enter the main area of the prison but see a very limited number of prisoners in a formal visits room in the administration area rather than the prison proper.

The Inspector has been concerned about the level of service provided by the AVS for the last three years; regrettably, no system-wide tangible improvement has occurred during that time. A preliminary observation from the deaths at Hakea Prison review confirms the poor performance of the Service. The fundamental question remains whether the Service can ever achieve an acceptable standard whilst it is run directly through the Department of Justice itself. It is intended not only to be a welfare service but also a standards monitoring body, and at the present time it is not really achieving either of those objectives. However, the re-classification of the Manager's position so as to attract a strong field of candidates and the allocation of an increased budget for 2003/04, along with a fresh commitment to training, may do something to turn the situation around. It will be kept under review.

## MINIMUM-SECURITY ACCOMMODATION

Last year attention was drawn to the stress involved in managing the prison population downwards - from 3,200 to about 2,800 - whilst simultaneously losing public sector places to the gradually increasing population required at Acacia Prison. Public prison bed numbers thus had to reduce by about 1,100 over a short period. Inevitably, this involved closures of some prisons (Riverbank and Pardelup) and of some units in other prisons. With the closure of the minimum-security wing at Bunbury Prison and the reconstitution of Pardelup Prison as a work camp, the Department has thus lost about 100 minimum-security beds. Karnet and Wooroloo Prisons are almost always full to their own somewhat reduced capacity.

The consequence is that prisoners who have been classified as minimum-security often have to wait for a minimum-security bed. On the day this Report is being drafted there were, for example, 65 minimum-security prisoners being held at Acacia Prison - nominally a medium-security location but in reality more akin to maximum-security. This is more than a temporary inconvenience for prisoners. Their inappropriate placement works back into the system, in terms of program availability (for necessary programs are quite often offered only at the minimum-security prisons) and in preparation for release (for community work under section 94 Prisons Act is not available from Acacia Prison).

As part of the prison-re-profiling exercise, this lack of fit between the prisoner population and the prison profile must urgently be addressed.

#### WORK CAMPS

The squeeze on re-entry because of insufficient minimum-security beds leads on to the question of work camps. For they are a crucial part of an integrated re-entry strategy in that prisoners can graduate from minimum-security to open-security and also make reparation and gain work skills before release. They are certainly a success story and have received a wide degree of community acceptance.

To the Department's credit it has opened a new one at Wyndham during the year, and this appears to be operating well. The Inspector's concern is that there are not enough work camps nor does there appear to be an integrated policy for their utilisation within the total imprisonment continuum for offenders. Work camps still essentially depend for their creation or continued existence on the activities and role of the prison to which they are attached, whereas they should be perceived as a form of detention in their own right. The Department should clarify its policy and increase the budget for the development of work camps.

#### STAFFING ISSUES

Staff costs are the single most expensive item in the Prison Services Division, and understandably the Department has sought to control these more closely. The main mechanism by which this has been done is an agreement with the union as to the total number of uniformed staff - 1,147 - who will be employed across the system. This inevitably brings inflexibility to staffing arrangements, making it difficult to respond to changing needs. The main impact of this has been manifest in some regional prisons, though metropolitan ones have not been immune from the stress.

There are a few prisons where staff morale is particularly low and resentment of centralised planning particularly high. This is a problem that impacts upon prisoner services, and is one that the Department must progressively and energetically address. However, having said that, it does seem that staffing issues may have "bottomed out".

#### CENTRALISED MANAGEMENT

It is understandable that, whilst the Department of Justice was being put back onto a solid management and financial base, centralised control over activities tightened. However, that phase is now past; there is a steady state and predictable management dilemmas. This Office has argued in various inspection reports that more authority, both financial and operational, must be devolved to local prison management on the basis that to do so would actually be more efficient and would increase accountability. During the year, the internal budget process for the individual prisons was improved, with greater consultation, and this is welcome. It should now be possible to safely begin the process of piloting Service Level Agreements with prison superintendents at some of the locations in the state.

## 15. CONCLUSIONS

Progress is being maintained in the Western Australian prison system. It is still uneven, but tangible. There are systems in place that should ensure the continuation of progress. The Department is now mature enough to address its problems, rather than to deny or defend them. At the end of the first cycle of inspections, it is clear that the accountability processes involved in the inspection system have played a role in pushing the system forward.

A handwritten signature in black ink, appearing to read 'Richard Harding', with a stylized flourish at the end.

Richard Harding  
Inspector of Custodial Services

25th August 2003

# Corporate Matters

## 1. CORPORATE ETHOS

### GOVERNMENT OUTCOMES

- To improve the confidence of the community as a whole in the State Justice System;
  - To reduce the level of re-offending in Western Australia; and
- To ensure that the State receives improved value for money from its criminal justice system.

### RELATIONSHIP TO GOVERNMENT STRATEGIC OBJECTIVES

Safe, healthy and supportive communities.

### VISION

To contribute to the achievement of these Government outcomes both directly through its own operations and indirectly by affecting the service delivery of the frontline agencies.

### MISSION

To establish and maintain an independent, expert and fair inspection service so as to provide Parliament, the Minister, stakeholders, the media and the general public with contemporary information and analysis about prison operations and custodial services, so that debate and discussion may be enhanced.

### CORE BUSINESS

PRISON INSPECTIONS AND REVIEW OF OTHER PRISON AND CUSTODIAL SERVICES

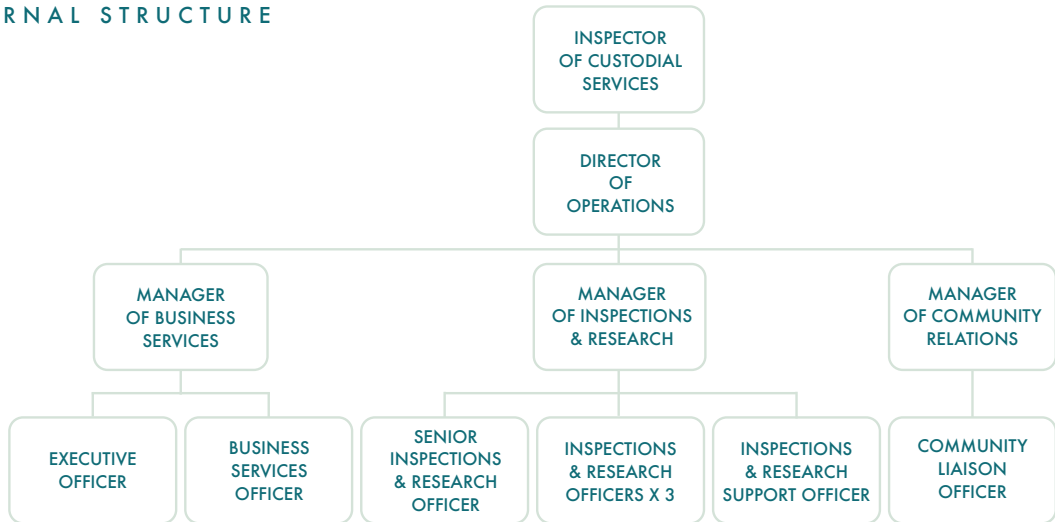
THEMATIC REVIEWS

REPORTS TO PARLIAMENT

COMMUNITY INFORMATION

ADMINISTRATION OF THE INDEPENDENT PRISON VISITORS SCHEME

## 2. INTERNAL STRUCTURE



## 3. INDUSTRIAL RELATIONS

The Inspector is a prescribed office-holder under the Salaries and Allowances Tribunal Act 1975. All other officers are registered under the Government Officers Salaries, Allowances and Conditions General Agreement 2002.

## 4. ENABLING LEGISLATION

The Office was established as a department under the Public Sector Management Act, on 1 June 2000.

## 5. LEGISLATION ADMINISTERED

The administration of the Office of the Inspector of Custodial Services is established under the Prisons Act 1981 and the Public Sector Management Act 1994.

The Office does not administer any legislation, although its functions are performed under Part XA of the Prisons Act 1981. The Department of Justice is the administering agency for this Act.

The Office is exempt from the Parliamentary Commissioner Act 1971 and for the purpose of operational functions from the Freedom of Information Act 1992.

## 6. RESPONSIBLE MINISTER

The Hon. M.H. Roberts, B.A., DipEd, M.L.A.

## 7. OUTPUTS (GOODS OR SERVICES) PROVIDED TO THE PUBLIC SECTOR IN WA

To ensure that our objectives and desired outcomes are achieved, the Office provided the following:

- Report to Parliament and the general public.
- Provision of custodial services advice to the Minister for Justice.
- Draft reports are provided to the Department of Justice and other relevant departments to provide opportunities either orally or in writing in relation to the subject matter of these reports.
- Relevant matters are referred to a variety of public sector agencies where, in the opinion of this Office, those agencies have primacy of jurisdiction.
- The Office maintains a mail-out list to encourage other public sector agencies and office holders in Western Australia to be aware of the custodial services findings of this Office.



## 8. SENIOR OFFICERS

### **Professor Richard Harding (The Inspector of Custodial Services)**

Richard Harding was appointed as the foundation Inspector of Custodial Services as from 1 August 2000. His previous position was the foundation Director of the Crime Research Centre at The University of Western Australia. His long-time involvement in corrections policy and practice dates back to 1970, since then he has been involved in numerous government inquiries and has written widely in academic journals. His most recent book is 'Private Prisons and Public Accountability' (1997). Between 1984 and 1987 Professor Harding was Director of the Australian Institute of Criminology. He has also been extensively involved with international crime and justice policy at the United Nations level, as well as through support of the Asia and Pacific Conference of Correctional Administrators.

### **Robert W Stacey (Director of Operations)**

Robert Stacey was appointed inaugural Director of Operations in November 2000. He brings to the role over twenty years extensive experience in the Western Australian Prison Service, at operational, management and strategic levels and across key functional areas. Mr Stacey holds a B.A. (Distinction) in Social Sciences from the Western Australian Institute of Technology and a Postgraduate Diploma in Business from Curtin University of Technology.

## 9. PUBLICATIONS

All publications produced by the Office are available in hard copy on request from the Office or alternatively can be viewed on the Office's Internet site. The following publications were produced in 2002/03:

### OPERATIONAL REPORTS

- Report No.8 - Report of a Follow-up Inspection of the Special Management Units at Casuarina Prison
- Report No.9 - Report of the Follow-up Inspection of Eastern Goldfields Regional Prison
- Report No.10 - Report of an Announced Inspection of Nyandi Prison
- Report No.11 - Report of an Announced Inspection of Casuarina Prison
- Report No.12 - Report of an Announced Inspection of Hakea Prison
- Report No.13 - Report of an Announced Inspection of Bandyup Women's Prison
- Report No.14 - Report of an Announced Inspection of Roebourne Regional Prison
- Report No.15 - Vulnerable and Predatory Prisoners in Western Australia: A Review of Policy and Practice (thematic report)

### ANNUAL REPORT

- 2001/2002 Annual Report

## 10. CONTRACTS WITH SENIOR OFFICERS

At the date of reporting, other than normal contracts of employment of service, no Senior Officers, or firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests had any interests in existing or proposed contracts with the Office and Senior Officers.

## 11. HIGHLIGHTS OF THE YEAR

- The revision and refinement of the Office's Outputs and performance indicators to reflect more meaningful measures in the light of evolving practice.
- The revision of the Community Consultative Council to the Community Reference Group to enable a closer working relationship to develop with the Office.
- The Attorney General agreed to the renaming of the Official Prison Visitors' Scheme to the Independent Prison Visitors' Scheme. This was to alleviate the confusion that existed amongst prisoners and others who found it difficult to differentiate the scheme from other official visitors.
- Ongoing recruitment and training of Independent Prison Visitors and expansion of the scheme.
- Productive secondment arrangements for career development purposes between the Office and the Department of Justice.
- A new out-posting arrangement from the Department of Indigenous Affairs to this Office to enable the establishment of a Community Liaison Officer.
- The completion of a thematic review of prisoner safety practices. The field work was undertaken by an academic, who is based in the United Kingdom.
- There were 77 prison liaison visits conducted by inspection officers.
- Expert inspectors from the United Kingdom attracted to participate in complex Western Australian inspections and reviews.
- Participated in a number of national and international correctional conferences.
- Lodged 99 Independent Prison Visitors' Reports compared to an estimated target of 60. This was achieved through improved recruitment of additional community representatives as Independent Prison Visitors.

## 12. CHANGES IN WRITTEN LAW

There were no major changes in any written law that affected the Office during the financial year. However, the Inspector of Custodial Services Bill 2003 has been drafted and is being prepared for introduction into Parliament. This would enable the Inspector to exercise his function in Juvenile Detention Centres.

## 13. MINISTERIAL DIRECTIVES

The Minister has directed the Inspector to review recent deaths in custody at Hakea Prison. This review into an aspect of a prison is currently in progress and is expected to be completed by October 2003.

## 14. STAFF PROFILE

	2003	2002
Full-time permanent	10	10
Full-time contract	1	1
Part-time measured on a FTE basis	1	0
On secondment	2	3
	<b>14</b>	<b>14</b>

## 15. DISABILITY SERVICES PLAN

The Office has developed a draft disability services plan which is being prepared for submission.

**16. EQUAL EMPLOYMENT OPPORTUNITY**

The Office is committed to equal opportunity in employment.

<b>Classification</b>	<b>Occupational Group</b>	<b>Female</b>	<b>Male</b>	<b>Total</b>
Level 2	Business Services	1		1
Level 3	Business Services	1		1
Level 4	Operational	1		1
Level 6	Operational	1	1	1
Level 6	Business Services		1	1
Level 7	Operational	2	1	3
Level 9	Operational		1	1
Salaries & Allowances	Operational		1	1
Secondees (full-time) <sup>1</sup>	Operational	1	1	2
<b>Total</b>		<b>7</b>	<b>7</b>	<b>14</b>
<b>Ratio</b>		<b>50%</b>	<b>50%</b>	<b>100%</b>

An equal employment opportunity management plan is in draft form which is being prepared for submission.

**17. PARTNERED**

The Inspector may by arrangement with the relevant employer make use, either full-time or part-time, of the services of any officer or employee in the Public Services; in a State agency or instrumentality; or otherwise in the service of the Crown in right of the State.

In accordance with this provision, the Office expanded the number of government agencies with whom the Office partnered with for inspections. The agencies include Agriculture Western Australia, the Department of Health, Drug and Alcohol Office, Equal Opportunity Commission and the Office of Auditor General.

**18. WASTE PAPER RECYCLING**

The Office's published reports use environmentally friendly paper, comprising 50 per cent recycled paper and 50 per cent chlorine free plantation pulp.

The Office collects confidential and non-confidential waste paper for recycling.

**19. FREEDOM OF INFORMATION**

Documents held by this Office for the purpose of operational functions are exempt from disclosure under the Freedom of Information Act 1992.

**20. STAFF DEVELOPMENT**

The Office encourages staff to continue with relevant post-graduate tertiary qualifications. Staff attend relevant professional development workshops and conferences.

**21. WORKERS COMPENSATION**

No compensation claims were recorded during the financial year. An occupational therapist was engaged to conduct an assessment of the Office and recommendations were made to prevent potential occupational injuries. These recommendations have been implemented.

<sup>1</sup> The Office also has arrangements with a range of agencies for occasional assistance with inspections and reviews as detailed under points 11 and 17.

## 22. CONTINUING RESEARCH AND DEVELOPMENT

The Office employs a Manager of Research and publications with key responsibilities for research.

## 23. MAJOR PROMOTIONAL, PUBLIC RELATIONS OR MARKETING ACTIVITIES

- Presentation of papers at interstate and international conferences.
- Presentation at custodial officer training courses.

## 24. PRICING POLICIES ON OUTPUTS

The Office does not charge for goods and services rendered.

## 25. ELECTORAL ACT 1907 SECTION 175ZE

In compliance with section 175ZE of the Electoral Act 1907, the Office is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

The details of the report are as follows:

Expenditure with Advertising Agencies	\$0
Expenditure with Market Research Agencies	\$0
Expenditure with Polling Agencies	\$0
Expenditure with Direct Mail Agencies	\$0
Expenditure with Media Advertising Agencies	\$0
Total Expenditure	\$0

## 26. LEGISLATION IMPACTING ON THE OFFICE'S ACTIVITIES

The following written laws impact upon the performance of the Inspectors functions: -

- Aboriginal Communities Act 1979
- Anti Corruption Commission Act 1988
- Bail Act 1982
- Competition Policy Reform (WA) Act 1996
- Coroners Act 1996
- Court Security and Custodial Services Act 1999
- Crime (Serious and Repeat Offenders) Sentencing Act 1992
- Criminal Code
- Criminal Law (Mentally Impaired Defendants) Act 1996
- Electoral Act 1907
- Equal Opportunity Act 1984
- Evidence Act 1906
- Fines, Penalties and Infringement Notices Enforcement Act 1994
- Government Employees Superannuation Act 1987
- Industrial Relations Act 1979
- Interpretation Act 1984
- Justices Act 1902
- Minimum Conditions of Employment Act 1993
- Misuse of Crime Act 1981

Occupational Health and Safety Act 1984  
 Parole Orders (Transfer) Act 1984  
 Prisoners (Interstate Transfer) Act 1983  
 Prisoners (Release for Deportation) Act 1989  
 Disability Services Act 1993  
 Public Sector Management Act 1994  
 Racial Discrimination Act 1975  
 Sentence Administration Act 1995  
 Spent Convictions Act 1988  
 State Records Act 2000  
 Victims of Crime Act 1994  
 Workers Compensation and Rehabilitation Act 1981  
 Young Offenders Act 1994

In the financial administration of the Office, there has been compliance with the requirements of the *Financial Administration and Audit Act 1985* and every other relevant written law, and the exercise of controls which provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property and incurring of liabilities has been in accordance with legislative provisions.

At the date of signing, the Office is not aware of any circumstances that would render the particulars included in this statement misleading or inaccurate.

**COMPLIANCE WITH PUBLIC SECTOR MANAGEMENT ACT  
 SECTION 31(1)**

- In the administration of the Office, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and the Office's own Code of Conduct.
- I have put in place procedures designed to ensure such compliance and conducted appropriate internal audits and assessments to satisfy myself that this statement is correct.
- The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number lodged	nil
Number of breaches found, including details of multiple breaches per application:	nil
Number still under review:	nil



**Professor Richard Harding**  
 Inspector of Custodial Services  
 5 August 2003

**Postal Address:**

Level 27, 197 St George's Terrace, Perth, Western Australia 6000.  
 Telephone: 61 8 9212 6200 Facsimile: 61 8 9226 4616  
 Email: corporate@custodialinspector.wa.gov.au  
 Website: www.custodialinspector.wa.gov.au

## Part Two

# Certification of Performance Indicators for the year ended 30 June 2003

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Office of the Inspector of Custodial Service's performance, and fairly represent the performance of the Office of the Inspector of Custodial Services for the financial year ended 30 June 2003.

A handwritten signature in blue ink, appearing to read 'R. Harding', written in a cursive style.

**Professor Richard Harding**  
Accountable Officer  
*5 August 2003*





## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2003

#### **Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Office of the Inspector of Custodial Services are relevant and appropriate to help users assess the Office's performance and fairly represent the indicated performance for the year ended June 30, 2003.

#### **Scope**

##### *The Inspector of Custodial Services' Role*

The Inspector of Custodial Services is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of efficiency and effectiveness.

##### *Summary of my Role*

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'K O'Neil'.

K O O'NEIL  
ACTING AUDITOR GENERAL  
August 8, 2003

## 27. OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

After discussions with the Department of Treasury and Finance and the Office of the Auditor General, a set of outcomes, outputs and performance information was agreed upon by all parties. The particulars of these measures were elaborated upon in the 2001/02 Annual Report and can be referred to for reference purposes.

### OUTCOME

*The achievement of a fair and independent prison inspection service that provides for the regular and ongoing evaluation of the treatment and conditions of prisoners, so as to bring about effective accountability of the Government of the day, the Department of Justice and other relevant agencies in relation to policies, standards, practices and outcomes of prison operations and custodial services and the treatment and conditions for prisoners, with a view to improving each of these matters so as to bring them more closely into accord with best international correctional practice.*

### KEY EFFECTIVENESS INDICATORS

*The extent to which the Department of Justice and, where relevant, other agencies accept and/or implement recommendations contained in Reports.*

Type of recommendation	Percentage that should be accepted	Number in Reports tabled or completed in 2001/2002	Number and (percentage accepted) to date
1. Custody and security	75%	16	15 (94%)
2. Care and wellbeing	75%	35	35 (100%)
3. Health	75%	15	14 (93%)
4. Rehabilitation	75%	19	18 (95%)
5. Reparation	75%	7	6 (86%)
6. Human rights	100%	12	10 (83%)
7. Racism, Aboriginality and Equity	100%	11	11 (100%)
8. Administration and accountability of DOJ	50%	45	43 (96%)
9. Staffing issues	50%	27	26 (96%)
10. Correctional value-for-money	50%	8	7 (88%)

To date, 195 recommendations have been made in seventeen reports and 185, or 95 per cent, were accepted. This is a gratifyingly high acceptance rate, and indicates that a mutually beneficial relationship exists.

Inspection Reports completed to the Inspector's satisfaction are shown in the following list and according to the categories mentioned earlier.

#### Published Reports<sup>2</sup>

Report No.11 - Report of an Announced Inspection of Casuarina Prison

Report No.12 - Report of an Announced Inspection of Hakea Prison

Report No.13 - Report of an Announced Inspection of Bandyup Women's Prison

Report No.14 - Report of an Announced Inspection of Roebourne Regional Prison

Report No. 15 - Vulnerable and Predatory Prisoners in Western Australia: A Review of Policy and Practice

<sup>2</sup> It should be noted that under Section 9 above (Publications) Reports 8, 9 and 10 are cited. These reports are not part of the Key Effectiveness Indicators for this reporting period because they were taken into account for the previous reporting period (2001/02 financial year).

**Lodged Reports**

Nil

**Prepared Reports**

Report No. 16 - Report of an Announced Inspection of Bunbury Regional Prison

Report No. 17 - Report of an Announced Inspection of Wooroloo Prison Farm

**Draft Reports**

Nil

Other inspections that occurred during 2002/03 related to Albany/Pardelup, Acacia and Greenough prisons. These inspections took place in September 2002, March 2003 and May 2003 respectively, and each is at the stage of a report in preparation.

A major thematic review has commenced relating to "Cognitive Skills Programs in Western Australian Prisons". An international academic was commissioned to write a Discussion Paper. This has been widely distributed for comment. The Office will in due course complete the work of preparing a report of the thematic review.

**KEY EFFICIENCY INDICATORS**

*The key efficiency indicator is that of weighted costs per inspection, review, liaison visit, Independent Prison Visitor service and other statutorily mandated or authorised activity carried out during the year:*

**Inspection Reports****Inspection Reports**

	<i>Report No.</i>	<i>2002/03 Actual</i>
Casuarina Prison	11	1
Hakea Prison	12	1
Bandyup Women-s Prison	13	1
Roebourne Regional Prison	14	1
Vulnerable and predatory Prisoners	15	1.5
Bunbury Regional Prison	16	1
Wooroloo Prison Farm	17	1
<b>Total Points</b>		<b>7.5</b>

**Liaison Visits**

<i>2002/03 Estimate</i>	<i>2002/03 Actual</i>
80	77

The actual number of liaison visits for the year are within the estimated range (96%). The shortfall is reflected in the reduced number of regional liaison visits actually undertaken. In part, this relates to the Office's capacity to fund intrastate travel and accommodation expenditure.

## Independent Prison Visits

<i>2002/03 Estimate</i>	<i>2002/03 Actual</i>
60	99

## **Post-Inspection Debrief Notes**

It has become common practice to record, transcribe and distribute a written version of post-inspection debrief notes. The purpose is to facilitate early responses and actions from the Department, its contractors and others who may be directly involved in particular inspections. These notes are a discrete report in that the details contained may sometimes be directed at operational levels to enable the recipients to understand the key points. The eventual Inspection Reports will usually take up these matters in a more strategic manner.

A preliminary estimate of costs for each debrief is approximately \$35,000. Further attempts will be made in the next year to more accurately calculate this figure.

## **AUDITED EFFICIENCY INDICATORS**

The cost per output point can be calculated as follows:

### Inspection Report Points

	<i>2002/03 Total</i>	<i>2001/02 Total</i>
Output Points achieved	7.5	8.5
The mean cost of each Output Point	\$156,521 <sup>3</sup>	\$167,441 <sup>4</sup>

### Liaison Visits

	<i>2002/03 Total</i>	<i>2001/02 Total</i>
Visits	77	N/a <sup>5</sup>
The mean cost of each visit	\$4,180	N/a

### Independent Prison Visits

	<i>2002/03 Total</i>	<i>2001/02 Total</i>
Visits	99	N/a <sup>6</sup>
The mean cost of each visit	\$920	N/a

<sup>3</sup> This figure would have been reduced by \$35,000 if the value of the post-inspection debrief notes were taken into consideration.

<sup>4</sup> The number of Output Points in the previous financial year is 8.5 with a mean cost of \$167,441 after deducting \$78,000 for the Independent Prison Visitors' Scheme, from the total cost of services of \$1,501,250.

<sup>5</sup> The number of liaison visits and their mean cost is being recorded for the first time in the 2002/03 financial year.

<sup>6</sup> The number of Independent Prison Visits and their mean cost is being recorded for the first time in the 2002/03 financial year.

STATEMENT OF COMPLIANCE

Source Reference

FAAA sec 62	HON M.H. ROBERTS
TI 902	MINISTER FOR JUSTICE

In accordance with *Section 62 of the Financial Administration and Audit Act 1985*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Inspector of Custodial Services for the financial year ending 30 June 2003.

The Annual Report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985 and the Prisons Act 1981*.



**Professor Richard Harding**  
Accountable Officer

5th August 2003

# Financial Statements

## Source Reference

FAAA sec62(2a)  
TI 947

The accompanying financial statements of the Office of the Inspector of Custodial Services have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions and the financial position for the financial year ending 30 June 2003.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



**Derek Summers**  
Principal Accounting Officer  
5th August 2003



**Professor Richard Harding**  
Accountable Officer  
5th August 2003



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003

#### Audit Opinion

In my opinion,

- (i) the controls exercised by the Office of the Inspector of Custodial Services provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Office at June 30, 2003 and its financial performance and cash flows for the year ended on that date.

#### Scope

##### *The Inspector of Custodial Services' Role*

The Inspector of Custodial Services is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Output Schedule of Expenses and Revenues, Summary of Consolidated Fund Appropriations and Revenue Estimates, and the Notes to the Financial Statements.

##### *Summary of my Role*

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

K O'NEIL  
ACTING AUDITOR GENERAL  
August 8, 2003



# Financial Statements

## Statement of Financial Performance for the year ended 30 June 2003

	Note	2003/02 \$	2001/02 \$
<b>COST OF SERVICES</b>			
<b>Expenses from ordinary activities</b>			
Employee expenses	4	934,855	907,750
Supplies and services	5	358,705	335,976
Depreciation expense	6	32,104	31,658
Administration expenses	7	98,791	60,466
Accommodation expenses	8	162,457	165,400
<b>Total cost of services</b>		<b>1,586,912</b>	<b>1,501,250</b>
<b>Revenues from ordinary activities</b>			
Other revenues from ordinary activities	9	1,755	3,401
<b>Total revenues from ordinary activities</b>		<b>1,755</b>	<b>3,401</b>
<b>NET COST OF SERVICES</b>		<b>1,585,157</b>	<b>1,497,849</b>
<b>REVENUES FROM STATE GOVERNMENT</b>			
Output appropriation	10	1,422,000	1,395,000
Resources received free of charge	10	14,273	11,000
<b>Total revenues from State Government</b>		<b>1,436,273</b>	<b>1,406,000</b>
<b>CHANGE IN NET ASSETS</b>		<b>(148,884)</b>	<b>(91,849)</b>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS</b>			
		<b>(148,884)</b>	<b>(91,849)</b>

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

# Statement of Financial Position

## as at 30 June 2003

	Note	2002/03 \$	2001/02 \$
<b>Current Assets</b>			
Cash assets	11	36,892	120,242
Restricted cash assets	12	21,500	21,500
Receivables	13	4,904	24,106
Amounts receivable for outputs	14	20,000	10,000
<b>Total Current Assets</b>		<b>83,296</b>	<b>175,848</b>
<b>Non-Current Assets</b>			
Office furniture and equipment	15	17,071	24,387
Office Fit-out	15	117,330	137,939
<b>Total Non-Current Assets</b>		<b>134,401</b>	<b>162,326</b>
<b>TOTAL ASSETS</b>		<b>217,698</b>	<b>338,174</b>
<b>Current Liabilities</b>			
Payables	16	41,305	
Provisions	17	277,951	215,620
Other Liabilities	18	43,333	42,824
<b>Total Current Liabilities</b>		<b>362,638</b>	<b>258,444</b>
<b>Non-Current Liabilities</b>			
Provisions	17	8,187	83,973
<b>Total Non-Current Liabilities</b>		<b>8,187</b>	<b>83,973</b>
<b>Total Liabilities</b>		<b>370,825</b>	<b>342,417</b>
<b>Equity</b>	19		
Accumulated surplus/(deficiency)		(153,129)	(4,244)
<b>Total Equity</b>		<b>(153,129)</b>	<b>(4,244)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>217,697</b>	<b>338,173</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes, set out in Note 24.

# Financial Statements

## Statement of Cash Flows for the year ended 30 June 2003

	Note	2002/03 \$	2001/02 \$
<b>CASH FLOWS FROM GOVERNMENT</b>			
Output appropriations		1,412,000	1,385,000
<b>Net cash provided by Government</b>		<b>1,412,000</b>	<b>1,385,000</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee costs		(738,381)	(746,881)
Superannuation		(151,340)	(74,341)
Supplies and services		(358,510)	(355,014)
Administration costs		(95,289)	(64,053)
Accommodation costs		(175,392)	(154,265)
GST payments to taxation authority		(3,145)	
GST payments on purchases		(54,414)	(52,850)
<b>Receipts</b>			
Employee entitlements received on transfer		6,785	24,510
GST receipts on sales		876	2,885
GST receipts from taxation authority		75,885	57,333
Other receipts		1,755	3,401
<b>Net cash used in operating activities</b>	20(b)	<b>(1,491,169)</b>	<b>(1,359,275)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of non-current physical assets		(4,180)	
<b>Net cash used in investing activities</b>		<b>(4,180)</b>	
<b>Net increase in cash held</b>		<b>(83,349)</b>	<b>25,725</b>
Cash assets at the beginning of the financial year		141,741	116,016
<b>CASH ASSETS AT THE END OF THE FINANCIAL YEAR</b>	20(a)	<b>58,392</b>	<b>141,741</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Summary of consolidated fund appropriations and revenue estimates for the year ended 30 June 2003

	2002/03 Estimate \$	2002/03 Actual \$	Variance \$	2002/03 Actual \$	2001/02 Actual \$	Variance \$
<b>PURCHASE OF OUTPUTS</b>						
Item 98 - Net amount appropriated to purchase outputs	1,255,000	1,255,000		1,255,000	1,228,000	27,000
Amount Authorised by Other Statutes						
- Salaries and Allowances Act 1975	167,000	167,000		167,000	167,000	
<b>GRAND TOTAL OF APPROPRIATIONS</b>	<b>1,422,000</b>	<b>1,422,000</b>		<b>1,422,000</b>	<b>1,395,000</b>	<b>27,000</b>

## Details of Expenditure by Outputs

Prison Inspection and Review	1,422,000	1,586,912	164,916	1,586,912	1,501,250	85,662
Total Cost of Outputs	1,422,000	1,586,912	164,916	1,586,912	1,501,250	85,662
Less retained revenue		(1,755)	(1,755)	(1,755)	(3,401)	1,646
Net Cost of Outputs	1,422,000	1,585,157	163,157	1,585,157	1,497,849	87,308
Adjustment for movement in cash balances and other accrual items		(163,157)	(163,157)	(163,157)	(102,850)	(60,307)
<b>Total appropriations to purchase outputs</b>	<b>1,422,000</b>	<b>1,422,000</b>		<b>1,422,000</b>	<b>1,394,999</b>	<b>27,001</b>

## DETAILS OF REVENUE ESTIMATES

Revenues disclosed as Operating Revenues		1,755	(1,755)	1,755	3,401	(1,646)
--	--	-------	---------	-------	-------	---------

The Summary of Consolidated Fund Appropriations, Variance to Actual and Budget should be read in conjunction with the accompanying notes.

This Summary provides the basis for the Explanatory Statement information requirements of TI 945.

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2003

### NOTE 1 OFFICE MISSION AND FUNDING

The Office's mission is to provide the people of Western Australia with an independent and effective prison inspection and review service which is fair and just.

The Office is funded by Parliamentary appropriations. The financial statements encompass all Funds through which the Office controls resources to carry on its functions.

In the process of reporting on the Office as a single entity, all intra-entity transactions and balances have been eliminated.

### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

#### (A) GENERAL STATEMENT

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect are disclosed in individual notes to these financial statements.

#### (B) BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Australian Accounting Standard AAS 29. The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

#### (C) OUTPUT APPROPRIATIONS

Output Appropriations are recognised as revenues in the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited into the Office's bank account or credited to the holding account held at the Department of Treasury and Finance.

#### (D) NET APPROPRIATION DETERMINATION

Pursuant to section 23A of the Financial Administration and Audit Act, the net appropriation determination by the Treasurer provides for retention of the following moneys received by the Office:

- proceeds from fees and charges;
- Commonwealth specific purpose grants and contributions;
- revenues derived from the sale of real property;
- one-off revenues with a value of less than \$10,000 derived from the sale of property other than real property; and

- other Office revenue.

In accordance with the determination, the Office retained \$1,755 in 2002/03.

#### **( E ) GRANTS AND OTHER CONTRIBUTIONS**

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Office obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

#### **( F ) REVENUE RECOGNITION**

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Office has passed control of the goods or other assets or delivery of the service to the customer.

#### **( G ) ACQUISITIONS OF ASSETS**

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

#### **( H ) DEPRECIATION OF NON-CURRENT ASSETS**

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is provided for on the straight line basis, using rates which are reviewed annually. Expected useful lives for depreciable assets are:

Office furniture and equipment	4 to 5 years
Office fit-out	6 years

#### **( I ) LEASES**

The Office has not entered into any finance leases.

The Office has entered into a number of operating lease arrangements for the rent of office accommodation, motor vehicles and office equipment where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

#### **( J ) CASH**

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

#### **( K ) ACCRUED SALARIES**

The accrued salaries suspense account (refer note 12) consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (refer note 18) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Office considers the carrying amount of accrued salaries to be equivalent to the net fair value.

## **( L ) RECEIVABLES**

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists and in any event where the debt is more than 60 days overdue.

## **( M ) PAYABLES**

Payables, including accruals not yet billed, are recognised when the Office becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

## **( N ) EMPLOYEE ENTITLEMENTS**

### **Annual leave**

This benefit is recognised at the reporting date in respect to employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

### **Long service leave**

The liability for long service leave is calculated at remuneration rates expected to be paid when the liability is settled. A liability for long service leave is recognised after an employee has completed four years of service. An actuarial assessment of long service leave undertaken by Concept in 2003 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

This method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AASB 1028 "Employee Benefits".

### **Superannuation**

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The superannuation expense comprises the following elements:

- (i) change in the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- (ii) employer contributions paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme; and
- (iii) contributions made to superannuation funds not administered by GESB.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided by the Office in the current year.



The Office is funded for employer contributions in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. These contributions were paid to the GESB during the year. The GESB subsequently paid the employer contributions in respect of the Gold State Superannuation Scheme to the Consolidated Fund.

#### (O) EMPLOYEE BENEFIT ON-COSTS

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses. (See notes 4 and 17)

#### (P) RESOURCES RECEIVED FREE OF CHARGE OR FOR NOMINAL VALUE

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

#### (Q) COMPARATIVE FIGURES

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

#### (R) ROUNDING OF AMOUNTS

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

### NOTE 3 OUTPUTS OF THE OFFICE

The Office has only one output and as such, all income and expenditure relates to that output. Accordingly, an Output Schedule has not been included in these financial statements.

The output of the Office is:

#### **Prison Inspection and Review**

Inspection of prisons, court custody centres and prescribed lock ups and review of custodial services.

### NOTE 4 EMPLOYEE EXPENSES

	2002/03	2001/02
	\$	\$
Salaries	736,953	692,861
Superannuation	151,340	75,198
Long service leave	516	46,140
Annual leave	12,885	71,124
Other related expenses (i)	33,161	22,426
	934,855	907,751

(i) These employee expenses include superannuation WorkCover premiums and other employment on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee entitlement liabilities at note 18.

# Financial Statements

	2002/03	2001/02
	\$	\$
<b>NOTE 5 SUPPLIES AND SERVICES</b>		
Consultants and contractors	141,767	168,470
Materials	120,700	78,832
Repairs and maintenance	23,375	7,336
Travel	51,006	58,794
Other	21,857	22,544
	358,705	335,977
<b>NOTE 6 DEPRECIATION EXPENSE</b>		
Office equipment and furniture	7,316	7,316
Office fit-out	24,789	24,342
	32,104	31,658
<b>NOTE 7 ADMINISTRATION EXPENSES</b>		
Communication	29,087	19,229
Consumables	3,521	1,504
Other staff costs	40,267	18,285
Sundry expenses	25,915	21,448
	98,791	60,466
<b>NOTE 8 ACCOMMODATION EXPENSES</b>		
Lease Rentals	152,932	161,649
Repairs and Maintenance	8,813	3,751
Cleaning	712	
	162,457	165,400
<b>NOTE 9 OTHER REVENUES FROM ORDINARY ACTIVITIES</b>		
Contributions to Executive Vehicle Scheme	1,755	1,950
Sundry receipts		1,451
	1,755	3,401
<b>NOTE 10 REVENUES FROM STATE GOVERNMENT</b>		
Appropriation revenue received during the year :		
Output appropriations (i)	1,422,000	1,395,000
Resources received free of charge (ii)		
Determined on the basis of the following estimates provided by agencies:		
Office of the Auditor General	14,000	11,000
Crown Solicitor	273	
	14,273	11,000
	1,436,273	1,406,000

(i) Output appropriations are accrual amounts reflecting the full cost of outputs delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(ii) Where assets or services have been received free of charge or for nominal consideration, the Department recognises revenues (except where the contributions of assets or services are in the nature of

contributions by owners in which case the Department shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

	2002/03	2001/02
	\$	\$
<b>NOTE 11 CASH ASSETS</b>		
Operating account	36,592	114,732
Cashiers advance	300	5,510
	36,892	120,242

**NOTE 12 RESTRICTED ASSETS**

Accrued salaries suspense account	21,500	21,500
	21,500	21,500

Funds in the Accrued Salaries suspense account are held to fund the additional payday, which occurs every tenth year.

**NOTE 13 RECEIVABLES**

Current		
GST receivable	4,904	24,106
	4,904	24,106

**NOTE 14 AMOUNTS RECEIVABLE FOR OUTPUTS**

Current	20,000	10,000
	20,000	10,000

This asset represents the non-cash component of output appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

**NOTE 15 OFFICE FIT-OUT, FURNITURE AND EQUIPMENT**

Office Fit-out		
At cost	166,461	162,281
Accumulated depreciation	(49,131)	(24,342)
	117,330	137,939
Furniture and equipment		
At cost	35,205	35,205
Accumulated depreciation	(18,134)	(10,818)
	17,071	24,387
	134,401	162,326

All furniture and equipment was purchased during the year and have been included in the financial statements at cost value.

# Financial Statements

	2002/03	2001/02
	\$	\$

## Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the current financial year are set out below.

2002/03	Office Fit-out	Furniture and equipment
Carrying amount at start of year	137,939	24,387
Additions	4,180	
Depreciation	(24,789)	(7,316)
Carrying amount at end of year	117,330	17,071

## NOTE 16 PAYABLES

### Current

Trade payables	41,305
	41,305

## NOTE 17 PROVISIONS

### Current

Annual leave	86,116	98,097
Long service leave	191,835	117,523
	277,951	215,620

### Non-current

Long service leave	8,187	83,973
	8,187	83,973

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation and workers compensation premiums. The liability for such on-costs is included here. The associated expense is included under Other related expenses (under Employee expenses) at Note 4.

The Office considers the carrying amount of employee benefits to approximate the net fair value.

## Employee benefit liabilities

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

### Provision for employee benefit

Current	277,951	215,620
Non-current	8,187	83,973
	286,138	299,593

## NOTE 18 OTHER LIABILITIES

### Current

Accrued expenses	19,439	25,359
Accrued salaries	23,943	17,464
	43,383	42,823

	2002/03	2001/02
	\$	\$

**NOTE 19 EQUITY**

Liabilities exceed assets for the Office and there is therefore no residual interest in the assets of the Office. This deficiency arose through expenses such as depreciation and accrual of employee entitlements for leave not involving the payment of cash in the current period being recognised in the Statement of Financial Performance.

**Accumulated surplus/(deficiency)**

Opening balance	(4,244)	87,606
Change in net assets from operations	(148,884)	(91,850)
<b>Closing balance</b>	<b>(153,128)</b>	<b>(4,244)</b>

**NOTE 20 NOTES TO THE STATEMENT OF CASH FLOWS****(a) Reconciliation of cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash assets	36,892	120,242
Restricted cash assets (refer to note 12)	21,500	21,500
	58,392	141,742

**(b) Reconciliation of net cost of services to net cash flows used in operating activities**

<b>Net cost of services</b>	<b>(1,585,157)</b>	<b>(1,497,849)</b>
Non-cash items:		
Depreciation expense	32,104	31,658
Resources received free of charge	14,273	11,000
<b>(Increase)/decrease in assets:</b>		
Current receivables		900
Other current assets		9,055
<b>Increase/(decrease) in liabilities:</b>		
Current provisions	62,331	69,277
Other current liabilities	41,864	(19,033)
Non-current liabilities	(75,786)	28,353
Net GST payments		
Change in GST in receivables/payables	19,202	7,365
<b>Net cash provided used in operating activities</b>	<b>(1,491,169)</b>	<b>(1,359,275)</b>

# Financial Statements

## NOTE 21 COMMITMENTS FOR EXPENDITURE

### (a) Capital expenditure commitments

The Office has no capital expenditure commitments.

### (b) Finance expenditure commitments

The Office has no finance lease commitments.

### (c) Non-cancellable operating lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

Within one year	172,837	172,749
Later than one year, and not later than five years	461,372	633,491
Later than five years		
	634,209	806,240

### (d) Other expenditure commitments

The Office has no other expenditure commitments.

### (e) Guarantees and Undertakings

The Office has given no guarantees or undertakings.

## NOTE 22 CONTINGENT LIABILITIES

The Office has no contingent liabilities.

## NOTE 23 EVENTS OCCURRING AFTER REPORTING DATE

There were no significant events occurring after the reporting date, which have a material effect on the financial statements.

## NOTE 24 EXPLANATORY STATEMENT

The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into the Consolidated Fund. Appropriations are now on an accrual basis.

The following explanations are provided in accordance with Treasurer's Instruction 945. Significant variations are considered to be those greater than 10% or \$ 100,000.

### (i) Significant variances between estimate and actual – Total appropriation to purchase outputs:

Although there was no significant variance in the total appropriation, there were significant offsetting variances in the following output expenditures:

	2002/03 Actual	2002/03 Estimate	Variance
	\$	\$	\$
Prison Inspection and Review	1,586,912	1,422,000	(164,912)

Additional expenditure was incurred to cover the cost of operations and the cost of engaging alternative service providers for Information Technology, Human Resources and Financial Services.

(ii) Significant variances between actual and prior year actual – Total appropriation to purchase outputs.

	2002/03	2001/02	Variance
	\$	\$	\$
Net amount appropriated to purchase outputs for the year	1,422,000	1,395,000	27,000
Retained revenue - Section 23A Financial Administration and Audit Act	(1,755)	(3,401)	1,646

## NOTE 25 FINANCIAL INSTRUMENTS

(a) Interest rate risk exposure

The following table details the Office's exposure to interest rate risk at the reporting date:

	Weighted average effective interest rate	Variable interest rate	Less than 1 year	1 to 5 years	More than 5 years	Non interest bearing	Total
2002/03	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>							
Cash Assets						36,892	36,892
Restricted cash assets						21,500	21,500
Receivables						4,904	4,904
Other assets							0
						63,296	63,296
<b>Financial Liabilities</b>							
Provisions						286,138	286,138
Other Liabilities						43,383	43,383
						329,521	329,521
<b>2001/02</b>							
Financial Assets						165,847	165,847
Financial Liabilities						342,417	342,417

## NOTE 26 REMUNERATION OF SENIOR OFFICERS

### Remuneration

The number of senior officers, whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, falls within the following bands:

	2002/03	2001/02
\$120,001 - \$130,001		
\$130,001 - \$140,000		1
over \$140,000	1	
The total remuneration of senior officers is:	\$145,991	\$139,237

# Financial Statements

	2002/03	2001/02
<b>Retirement benefits</b>		
The following amount in respect of retirement benefits for senior officers was paid or became payable for the financial year:		
Contributions to private superannuation funds	\$27,316	\$22,713
Numbers of Senior Officers presently employed who are members of the Superannuation and Family Benefits Act Scheme:		
	0	0

## NOTE 27 RELATED AND AFFILIATED BODIES

The Office had no related bodies during the financial year.

## NOTE 28 SUPPLEMENTARY FINANCIAL INFORMATION

### Write-Offs

During the year, there were no assets written off the Office's asset register.

### Losses through theft, defaults and other causes

During the year, there were no losses of public moneys and public and other property through theft or default.

### Gifts of Property

There were no gifts provided by the Office during the year.



This page has been left blank intentionally

This page has been left blank intentionally



OFFICE OF THE INSPECTOR  
OF CUSTODIAL SERVICES

Level 27, 197 St George's Terrace, Perth, Western Australia 6000  
Telephone +61 8 9212 6200 Facsimile +61 8 9226 4616 [www.custodialinspector.wa.gov.au](http://www.custodialinspector.wa.gov.au)