

Independent oversight
that contributes to a
more accountable public
sector



OFFICE OF THE INSPECTOR
OF CUSTODIAL SERVICES

ANNUAL REPORT 2021-22



RESPONSIBLE MINISTER

The Hon. Bill Johnston MLA
Minister for Corrective Services
Level 9
Dumas House
Havelock Street
WEST PERTH WA 6005
WHADJUK NOONGAR BOODJA

ACCOUNTABLE AUTHORITY

Office of the Inspector of Custodial Services

ACCESS

Level 5
Albert Facey House
469 Wellington Street
PERTH WA 6000
WHADJUK NOONGAR BOODJA

CONTACT

Telephone: +61 8 6551 4200
Email: corporate@oics.wa.gov.au
Web: www.oics.wa.gov.au

ABOUT THIS REPORT

This report is prepared to satisfy the Office's accountability to Parliament, pursuant to Part 5 of the *Inspector of Custodial Services Act 2003*.

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.

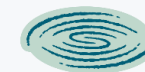
This report is available on the Office's website and will be made available, upon request, in alternative formats.

The Office of the Inspector of Custodial Services acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of this country, and their continuing connection to land, waters, and community throughout Australia. We pay our respects to them and their cultures, and to Elders, be they past, present, or emerging.

CONTENTS

PART ONE	3
Transmission Letter.....	3
Inspector's Foreword.....	4
Background.....	5
About Us.....	6
Inspections.....	9
Independent Visitors Service.....	14
Community Liaison.....	16
Reviews.....	17
Other Activities.....	18
Our Environment: Custodial and Office Pressures.....	19
Achievements in 2021/22.....	32
Collaboration and Relationships.....	42
Other Functions.....	43
PART TWO	45
Operational Structure.....	45
Other Financial Disclosures.....	49
Governance Disclosures.....	50
Other Legal Requirements.....	50
PART THREE	54
Independent Audit Opinion.....	54
Performance Management Framework.....	57
Financial Statements.....	59

PART ONE



OFFICE OF THE INSPECTOR
OF CUSTODIAL SERVICES

TRANSMISSION LETTER

The President of the Legislative Council
The Speaker of the Legislative Assembly

ANNUAL REPORT OF THE OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
FOR THE YEAR ENDED 30 JUNE 2022

In accordance with Section 63 of the *Financial Management Act 2006*, as modified by Section 38 of the *Inspector of Custodial Services Act 2003*, I hereby submit to Parliament for its information, the Annual Report of the Office of the Inspector of Custodial Services for the year ended 30 June 2022.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and the *Inspector of Custodial Services Act 2003*.

Eamon Ryan
Inspector of Custodial Services
29 September 2022

INSPECTOR'S FOREWORD

This has been another busy year for our office. We published 7 inspection and 4 review reports and our work has continued to generate public interest and discussion. Significant attention was given to the inspection reports for Hakea Prison and Greenough Regional Prison and also conditions in Roebourne Regional Prison following a 50.5 degree day in January 2022.

But by far the most prominent issue we have dealt with this year has been the crisis in youth detention. We published Report 141 following an inspection of the Intensive Support Unit at the Banksia Hill Detention Centre. This unscheduled inspection was prompted by significant concerns we had in late 2021 about the increasing number of critical incidents involving self-harm and suicide attempts, staff assaults and infrastructure damage. Our concerns were such that during the inspection we issued a Show Cause Notice to the Department and, for the first time, then referred the Notice to the Minister for Corrective Services. The inspection findings received significant attention and are summarised in this report.

Also included in this report is a potted history of the work this Office has done in relation to the Banksia Hill Detention Centre since our first inspection report for the facility was published in 2005 and in the ten subsequent inspection or review reports that we have published. This extensive body of work has identified a number of key themes, including: the need for a trauma informed operational philosophy; issues around behaviour management and out of cell hours; and workforce trauma and centre target hardening. What is remarkable is that short periods of progress and improvement have always been followed by crisis and instability. The issues identified in Report 141 bear a striking similarity to many of the issues raised in previous reports.

Of significant concern is that the situation deteriorated even further after Report 141 was published in April, prompting the Department, in July 2022, to move a small group of detainees to Unit 18 in Casuarina a prison which had been designated as a juvenile detention facility. Although this development occurred just after the reporting period for this report, it is of such significance that it warrants acknowledgment. We have maintained an active weekly presence in Unit 18 and while there has been some improvements there has also been a continuation of critical incidents, including: self-harm and suicide attempts; staff assaults; and significant infrastructure damage. The cycle cannot continue and something needs to change, I believe that a welfare focussed and trauma informed intervention is urgently required.

The impact of the COVID-19 pandemic has taken a different turn this year. The easing of restrictions and more community transmission has led to a number of outbreaks within custodial facilities requiring active response and management. The Department has once again done a good job in managing these outbreaks and keeping staff and prisoners safe. The pandemic has also impacted on the work of our office causing delays and disruptions, including having to suspend our Broome inspection mid-way due to positive COVID-19 cases developing in the prison and within our team. I was very grateful for the assistance provided by the Department and the local Superintendent in assisting with arrangements for our affected team members.

I acknowledge the constructive working relationship we have with many key stakeholders and organisations, without which our work would be more difficult. I am also very grateful for the constructive and cooperative working relationship we enjoy with the Director General of the Department of Justice and the Commissioner for Corrective Services. I thank each of them for their contribution to the work highlighted in this report.

Finally, I want to acknowledge the hard work, expertise and commitment of all of our staff and thank them for their contribution and support throughout the year.



Eamon Ryan
Inspector of Custodial Services
29 September 2022

BACKGROUND

The Office of the Inspector of Custodial Services was established in 2000 following amendments to the *Prisons Act 1981*. The goal was to ensure a strong, independent inspection regime for prisons, court custody centres, prisoner transport, and a small number of prescribed lockups.

In 2003, Parliament enacted the *Inspector of Custodial Services Act 2003* (the Act). This extended our jurisdiction to youth detention centres.

In 2011, the Act was amended to give us additional powers to examine specific aspects of custodial services, including the experience of individuals or groups of individuals.

Eamon Ryan was appointed as the Inspector in May 2019.

FORMER INSPECTORS

Professor Richard Harding	1 August 2000 – 31 July 2008
Professor Neil Morgan	30 March 2009 – 3 May 2019

Our inspection standards

The main areas in which we operate when conducting our inspections

ABOUT US

We are an independent statutory body with a strong focus on performance standards in custodial facilities and the rights of people in custody. We report directly to Parliament, ensuring a high level of transparency and accountability to our work.

Our responsibilities include:

- ❖ inspecting adult prisons, youth detention centres, court custody centres and prescribed lock-ups
- ❖ reviewing custodial services, including a custodial service in relation to one or more particular individuals
- ❖ carrying out thematic reviews
- ❖ managing and supporting the Independent Visitor Service.

The Act provides the Inspector with wide ranging powers of access to facilities, people, documents and information in order to carry out the functions of the Office.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES

WE LOOK AT...

1 EARLY DAYS IN CUSTODY

- Prisoners know their rights and responsibilities.
- Prisoners feel safe coming into custody. They are treated with respect and their immediate needs are met.

2 DUTY OF CARE

- Prisoners are not discriminated against.
- Every person in a prison feels safe, supported, can complain and seek redress if they want to.
- Staff are culturally competent.

3 MANAGING BEHAVIOUR

- Behaviour management is open, efficient, fair, and proportionate.
- The relationship between staff and prisoners is respectful. It encourages pro-social behaviour and responsibility for one's own actions.

4 DAILY LIFE

- Prison life is purposeful and sufficiently flexible to account for the diversity of the prisoners.
- Prisoners are encouraged to maintain and develop relationships with family and friends.

5 HEALTH

- Prisoners are supported and encouraged to optimise their health and wellbeing.
- Health care meets the needs of prisoners in an environment that promotes dignity and maintains privacy.

6 SECURITY

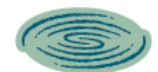
- An effective, ethical, and balanced approach ensures the security of the prison and the prisoners.
- Security measures align with risk.

7 REHABILITATION AND REPARATION

- Programs and services are evidence based.
- Education, employment, and programs are relevant to individual prisoner's needs and increase the likelihood of successful reintegration.
- Prisoners are held under the least restrictive regime and managed as per their individually assessed needs and risks.

8 GOVERNANCE

- The prison is led by a comprehensive strategic plan, and accountable and transparent systems.
- Staff are skilled, empowered, and present in sufficient numbers to ensure prisoners are managed safely.



www.oics.wa.gov.au

OFFICE OF THE INSPECTOR
OF CUSTODIAL SERVICES

OUR MISSION AND VALUES

MISSION

Our mission is to establish and maintain an independent, expert and fair inspection service to provide Parliament, the Minister, stakeholders, the media and the general public with up-to-date information and analysis about prison and detention centre operations and custodial services, so that debate and discussion may be enhanced as to whether and to what extent the key objectives of these activities are being achieved.

We aim to:

- ❖ improve public confidence in the justice custodial system
- ❖ reduce reoffending
- ❖ facilitate better value for money from the justice custodial system.

OUR VALUES

Integrity:

We act ethically, honestly, impartially and in the best interest of the community.

Quality:

We are efficient, deliver on-time, and provide well researched advice and recommendations.

Equity:

We treat all people with respect and value diversity.

Innovation:

We value creativity, learning and continuous improvement.

KEY STAKEHOLDERS

Our key stakeholders include:



PARLIAMENT



DEPARTMENT OF JUSTICE

Including Management, staff and contractors.



PEOPLE IN CUSTODY



NON-GOVERNMENT ORGANISATIONS



MINISTER FOR CORRECTIVE SERVICES



JUDICIARY AND PEOPLE IN OTHER JUSTICE AGENCIES

Such as WA Police Force and court services.



FAMILIES OF PEOPLE IN CUSTODY



WESTERN AUSTRALIAN COMMUNITY



INSPECTIONS

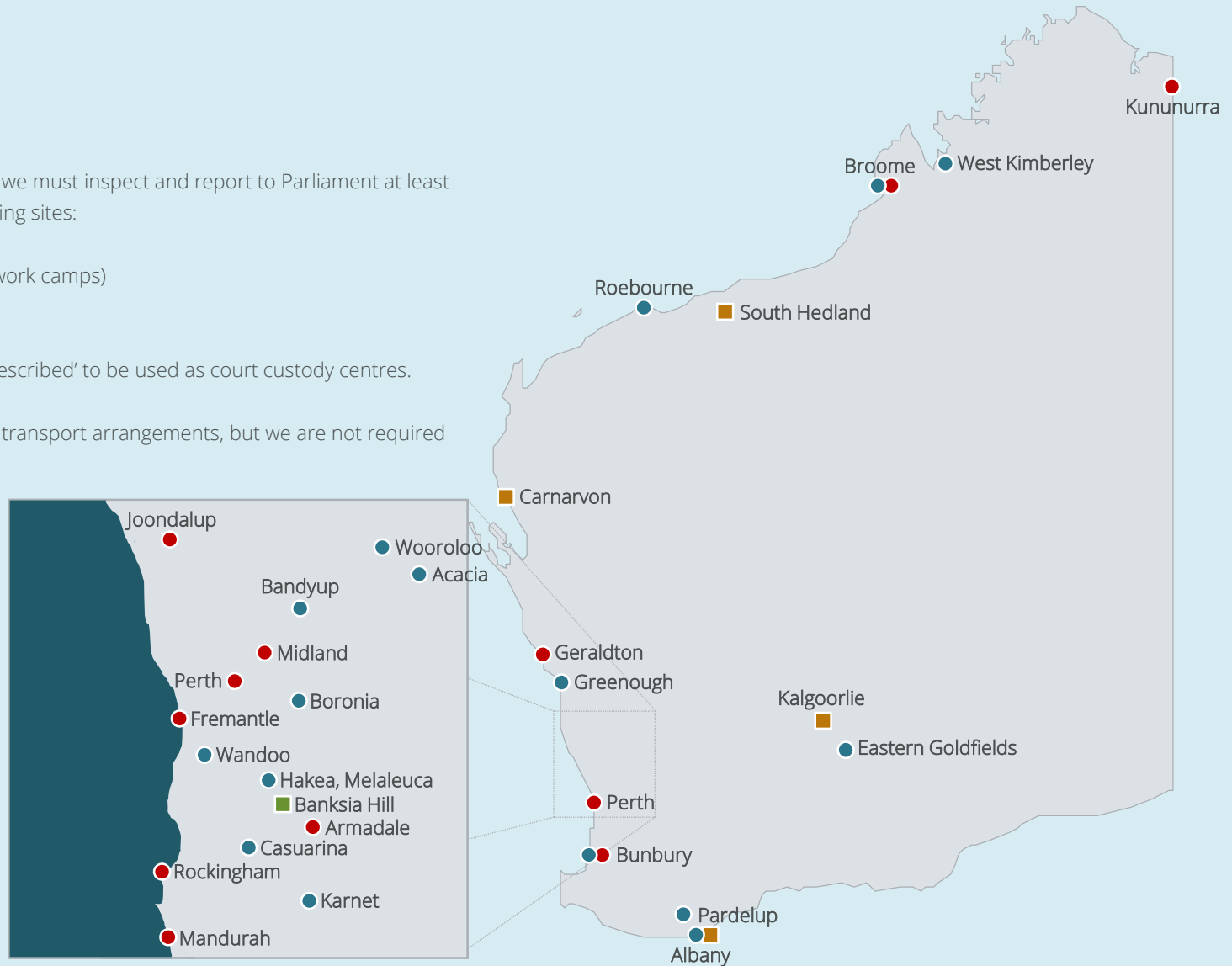
OUR JURISDICTION

Under Sections 19 and 20 of the Act we must inspect and report to Parliament at least **once every three years** on the following sites:

- ❖ 17 prisons (including five prison work camps)
- ❖ One juvenile detention centre
- ❖ all court custody centres
- ❖ police lockups that have been 'prescribed' to be used as court custody centres.

Our jurisdiction also covers prisoner transport arrangements, but we are not required to report on them every three years.

- Prisons
- Juvenile Detention Centre
- Court Custody Centres
- Police Lockups



PROCESSES AND METHODOLOGY

Our inspections of prisons and the detention centre usually involve one to two weeks on site, depending on risk and complexity. We generally provide three to four months' notice to relevant parties of the specific dates that we will be on site.

The Inspector has the power, should this be necessary, to conduct inspections that are unannounced or preceded by a short notice period. We rarely conduct unannounced inspections but do regularly conduct unannounced or short notice monitoring/liaison visits (see below).

We have a robust process of evidence gathering and inquiry. Before the period onsite, we conduct surveys of staff and people in custody, analyse data and documents, and hold meetings with senior staff and external service providers. We may also invite external consultants to join an inspection to supplement internal expertise.

During the on-site inspection period, we examine the physical environment and infrastructure, and observe all key processes and interactions. We meet prison management, staff groups, prisoner groups, and community representatives, and talk to individual staff and people in custody.

Most managers of places of custody try to take immediate action to address our concerns when these are within their control. However, some matters can only be addressed with head office support or additional resources.

INTERIM FINDINGS / EXIT DEBRIEF

At the end of the time on site, the Inspector presents interim findings (the 'Exit Debrief') to staff, local management and head office representatives. This outlines our preliminary observations and indicates areas where recommendations and findings are likely. We also give broad feedback to people in custody.

The Exit Debrief is an important element of a transparent and effective inspection system:

- ❖ It gives timely recognition to areas of good performance.
- ❖ It allows the Department or its contractors to initiate improvements immediately, particularly where risks exist.
- ❖ It enhances due process because all relevant parties are given early advice of possible findings, both positive and negative.

After taking account of any immediate feedback, we provide confidential copies of the Exit Debrief to the Minister, the Legislative Council Standing Committee on Public Administration, the Director General of the Department of Justice, the Corrective Services Commissioner, the prison Superintendent, and other relevant parties.

If an individual or an agency believes our preliminary findings involve factual errors or problems of balance, they can request further meetings and provide additional information.

PREPARING REPORTS

Section 20 of the Act requires us to prepare an inspection report which may include findings, advice and recommendations. Section 37 requires that before expressing, or implying, a critical opinion in a report, the Inspector must give an affected party an opportunity to make submissions. The Inspector has also embedded additional due process checks.

After completing the on-site fieldwork, we conduct further analysis of the evidence and prepare a draft report. We generally send the draft to the Department and other relevant parties for comment around three months after the on-site inspection period. They are usually given five weeks to comment on the draft, to identify possible errors, to respond to proposed recommendations, and to provide additional information. We may also need to seek further clarification before we finalise the report.

These processes ensure that the Minister and the Department are aware of proposed findings and recommendations before reports are finalised.

The final report includes an overview by the Inspector.

TABLING REPORTS

Once the report is finalised, it is sent to the Speaker of the Legislative Assembly and the President of the Legislative Council who are required under the Act to hold the report for 30 days before tabling it on the next available sitting day of Parliament. After the 30-day period has expired, if the Inspector determines that it would be unreasonable to delay tabling until the next available sitting day, the Inspector can cause the report to be deemed to be tabled. This means the public release of all our reports is delayed for a minimum of 30 days after it is lodged in Parliament.

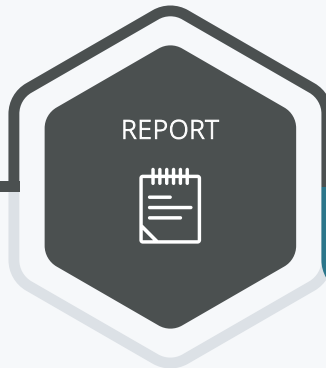
Other Western Australian statutory officers such as the Auditor General and the Ombudsman do not face such a long embargo period.

CONTINUOUS INSPECTION MODEL

We do not think it is possible to accurately assess the performance of a facility based only on a snapshot every three years. Risks and performance change over time, and more frequent oversight is needed, even though this may not lead to a formal report to Parliament.

We use several mechanisms to ensure regular monitoring of risk, performance, and progress. These include the following:

If necessary or desirable, we report to Parliament more often than the three-year cycle.



Independent Visitors provide feedback from prisons and detention centres at regular intervals.



OICS staff meet regularly with Department head office personnel.



We conduct regular monitoring visits (liaison visits) to all facilities and have real-time access to the Department's offender database.



The Inspector meets regularly with the Minister, and the Director General and Commissioner of the Department.



MONITORING / LIAISON VISITS

We conduct regular liaison visits to all places of custody in our jurisdiction. These visits are a crucial element in monitoring performance, risk and improvement opportunities.

Our visit schedule reflects risk, and therefore varies between sites and over time. We visit most prisons at least four times each year, and the higher risk prisons and Banksia Hill Detention Centre at least six times a year. We generally visit work camps at least once a year and court custody centres once every three years.

Liaison visits can be announced or unannounced. We usually give some advance notice so the facilities can help us engage with relevant staff and people in custody, but it is common for visits to be conducted at short notice. We do unannounced visits when necessary or appropriate.

55 LIAISON VISITS
METRO
REGIONAL
WORK CAMPS
COURT CUSTODY
CENTRES

INDEPENDENT VISITOR SERVICE

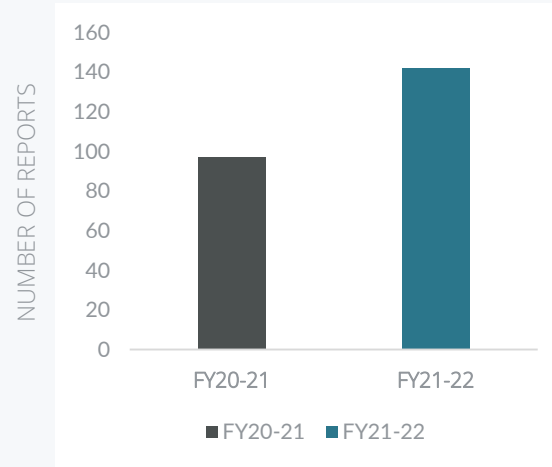
The Independent Visitor Service is an integral part of the state's accountability mechanisms. Under the Act, the Minister appoints Independent Visitors (IVs) on the advice of the Inspector. The Inspector administers and supports the service on behalf of the Minister. IV reports assist the Inspector to provide advice to the Minister and to inform the work of the Office.

The IVs are an experienced and diverse group of community volunteers who bring skill, insight, and common sense to the role. They make a valuable contribution to resolving issues and improving oversight.

People held in prisons and detention centres can meet with IVs and raise concerns about their treatment and conditions. Before leaving the facility, IVs debrief with the Superintendent or Deputy Superintendent so that matters can be resolved as soon as possible.

After a visit, the IVs send us a report on their findings. We assess the report and, where necessary, send it to the Department with our comments and requests for additional information. The Department then returns the report with its responses, which we follow up as appropriate.

This year, along with our increased focus on supporting our IVs, we successfully expanded the numbers through active recruitment and we now have in excess of 40 IVs. The appointment of a part-time Coordinator has made a big improvement to the level of support we can offer to our volunteers.



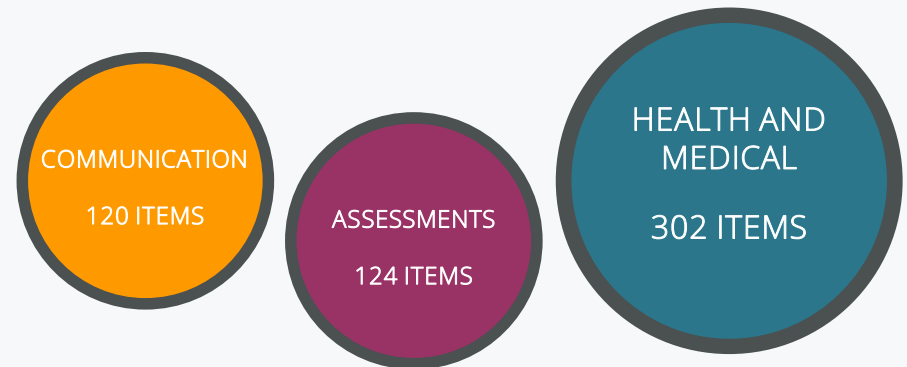
Independent Visitor Reports in 2021-22

↑ 46%

There were **142 IV reports** completed in FY21-22 compared to 97 reports in FY20-21.

This meant the average cost of an IV report significantly reduced from \$2,986 last financial year to \$1,714 in FY21-22.

There were **2,154 items** raised by the IVs in FY21-22. One quarter of those related to the **Top 3 themes** raised:



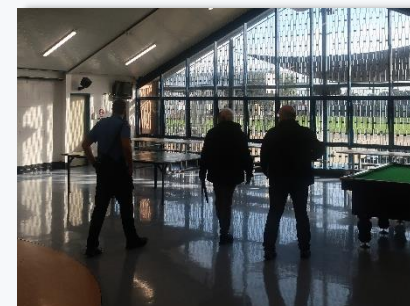
IV PROCESS





COMMUNITY LIAISON

Our Community Liaison Officer (CLO) is a proud Ballardong man and Elder. He provides highly valued cultural context in working with staff across the Office and with people in the community. The CLO maintains a large community network and helps us to engage with culturally diverse prisoners and young people in detention, community organisations, and families. Through this engagement, the CLO provides important information, links and referrals to appropriate services within the Department or other support organisations. He also provides advice to staff in the Office on cultural issues and protocols.



Photos 1–4 CLO Joseph Wallam during inspections, liaison visits and other Office activities.

REVIEWS

NATURE AND SCOPE

The *Inspector of Custodial Services Amendment Act 2011* was enacted in response to the Coronial inquest into the heat-related death of Aboriginal elder, Mr Ward, in a prisoner transport vehicle. It expanded and embedded the Inspector's powers to examine aspects of custodial services and the experience of individuals or groups of people in custody. We developed our review function to exercise these powers.

Like inspections, reviews lead to findings and may include advice and recommendations. Since 2012, we have addressed a wide range of topics relating to security, safety, health, welfare, rehabilitation and management.

We analyse multiple sources of information to derive and validate findings. These include academic and professional reviews, evidence from other jurisdictions, and data from the Department's offender management databases. We also use other departmental documents (such as evaluations, strategic plans, budget papers, and business cases), as well as advice from stakeholders and service providers.

REPORTING

As with inspections, we give the Department briefings on our proposed findings, and allow five weeks for a response to draft reports. Unlike inspection reports, there is no requirement for reviews to be tabled in Parliament and made public but the Inspector has the discretion to do so (Section 34(2)(b) of the Act).

However, for reasons of transparency, accountability and system improvement, our practice is:

- ❖ review reports will be tabled in Parliament unless there are exceptional reasons not to do so, such as safety, privacy or security
- ❖ if the Inspector decides not to table a report, confidential copies will be sent to the Minister, the Department, and the Standing Committee on Public Administration.

DIRECTED REVIEWS

The Inspector is accountable to Parliament, rather than the Minister or the Director General of the Department. The Inspector is not subject to direction by the Minister or any other person in the performance of the Inspector's functions, except as provided by the Act.

Section 17 of the Act allows the Minister to issue a written direction to the Inspector to carry out an inspection or review in certain circumstances. The Inspector must comply with such a direction unless, in their opinion, there are exceptional circumstances for not doing so.

On 24 September 2021 the Inspector accepted a direction from the Minister to undertake a review of the Department's performance in responding to recommendations, that were accepted by the Department, arising from Western Australian Coroners' inquiries into deaths in custody.



Hon Bill Johnston MLA
Minister for Mines and Petroleum; Energy; Corrective Services

Our Ref: 71-21316

Mr Eamon Ryan
Inspector of Custodial Services
Office of the Inspector of Custodial Services

Email: corporate@oics.wa.gov.au

Dear Mr Ryan

As discussed at our meeting of 13 September 2021, I direct you to undertake a review of the Department of Justice's (the Department) performance in responding to recommendations that arise from the WA Coroner's inquiries into deaths in custody, specifically in accordance with Section 17 (2)(b) of the Inspector of Custodial Services Act 2003.

Of primary focus should be the manner in which the Department implements and monitors continued compliance with recommendations that it has formally agreed to support.

If you have any further queries regarding this matter, please don't hesitate to contact my office on 6552 6700.

Yours sincerely

Hon Bill Johnston MLA
Minister for Mines and Petroleum; Energy; Corrective Services

24 SEP 2021

Letter from Hon Bill Johnson MLA Minister for Corrective Services directing the Inspector to conduct a review into departmental performance in responding to coronial recommendations

On 11 November 2021 the Minister endorsed the Terms of Reference to examine deaths publicly reported on between 2017 and 2021 to determine:

- ❖ Does the Department implement recommendations made by the Western Australian Coroner appropriately?
- ❖ How effectively does the Department monitor its continued compliance with the recommendations made by the Western Australian Coroner?

The report is expected to be tabled in Parliament and made publicly available in the 2022/23 reporting year.

OTHER ACTIVITIES

Although the Inspector does not report to the Minister or the Department, effective communication with both is important. The benefits of an inspection system are only realised when the concerns raised are understood and acted upon in a timely manner. When processes are working well, matters can often be resolved, and improvements made, without any need for a formal review or report.

Western Australia was the first state to establish an independent Inspectorate. Many other jurisdictions have now established oversight systems and we continue to play a significant role working with these Inspectorates.

OUR ENVIRONMENT: CUSTODIAL AND OFFICE PRESSURES

THE ONGOING CHALLENGES OF COVID-19

Like the previous two years, the COVID-19 pandemic has continued to present our Office with some unique challenges in meeting our statutory inspection obligations, while at the same time protecting the safety of our staff and volunteers, prison and detention centre staff, and people in custody.

We recognise that people in custody are some of the most vulnerable in society and many have underlying health conditions and comorbidities. Closed facilities, like prisons and detention centres, also have significant difficulties in isolating and containing significant outbreaks. Therefore, it has been a critical policy position for this Office not to contribute to or increase those risks.

Under the provisions of our Act, our statutory right of entry has ensured that we have not been prevented from visiting or inspecting custodial facilities. However, we have on occasion modified our inspection, liaison and review methodologies, and the Independent Visitor schedules as Western Australia experienced its first major peak of the virus within the wider community. We also complied with all custodial facility entry requirements including completing rapid antigen tests prior to entry and we avoided those units where COVID-19 was known to exist.

Our inspection of Broome Regional Prison in May 2022 was the most heavily impacted with the inspection paused midway due to positive COVID cases within the prison and within our inspection team. The Department and, in particular, the Broome Superintendent provided our Office with welcomed assistance over this time and we were able to return to complete the inspection in the following weeks when it was safe to do so.

Similarly, many Independent Visitor visits had to be rescheduled due to positive cases within the facilities they visit, or the visitor themselves either becoming ill or deemed a close contact.

This year with the easing of community restrictions across the state we saw the first cases of COVID-19 transmission within the prisons and the detention centre, and some large-scale outbreaks. Up until that time the Department had done very well to keep facilities largely COVID-free and to vaccinate sizable proportions of the prisoner and detainee populations. Since then, custodial facilities have responded very well to the management of COVID-19 outbreaks. Facilities have been able to set up units where people in custody who were positive or were close contacts were able to isolate and be separated from the rest of the population. This did result in increased complaints from prisoners and young people about the restrictions that were imposed on them while isolating. We acknowledge the impact that restrictions had on people in custody but also understand the importance of strict isolation practices for people in custody due to the elevated levels of risk.

In March 2022 we began tracking the number of positive COVID-19 cases as advised by the Department. At its peak on 4 May 2022, there were 515 cases being simultaneously managed at 10 facilities across Western Australia. By 30 June 2022, numbers had reduced to 172 with peaks and troughs since March roughly mirroring positive case numbers in the community as government restrictions in the state changed and relaxed.

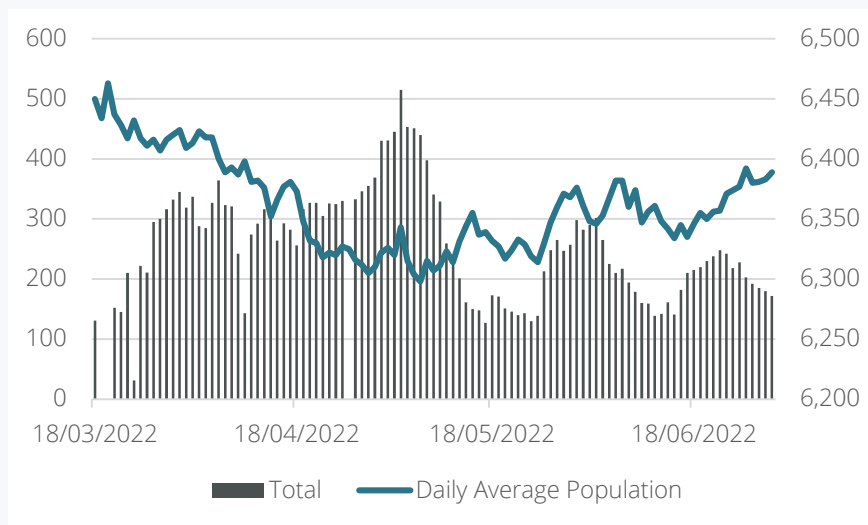


Figure 1 Total number of positive COVID-19 cases compared to the daily average population (March – June 2022)

While not mandated, all of our staff have been vaccinated and we continue to maintain high standards of hygiene, social distancing, and we do not attend prisons if we are unwell. When outbreaks do occur, we take a sensible and cautious approach based on the do no harm principle. We remain vigilant and continue to undertake risk assessments prior to visiting custodial facilities. And our continuous inspection model has ensured that we maintain visibility over custodial facilities despite the continuing challenges the pandemic presents.

THE PRISON POPULATION HAS REDUCED, BUT PRISONS ARE STILL CROWDED

The adult prison population has reduced this year following a small reduction (0.6%) in 2020/2021. On 1 July 2021, there were 6,715 prisoners in adult custodial facilities, by 30 June 2022 that figure had dropped to 6,273, a decrease of seven per cent.

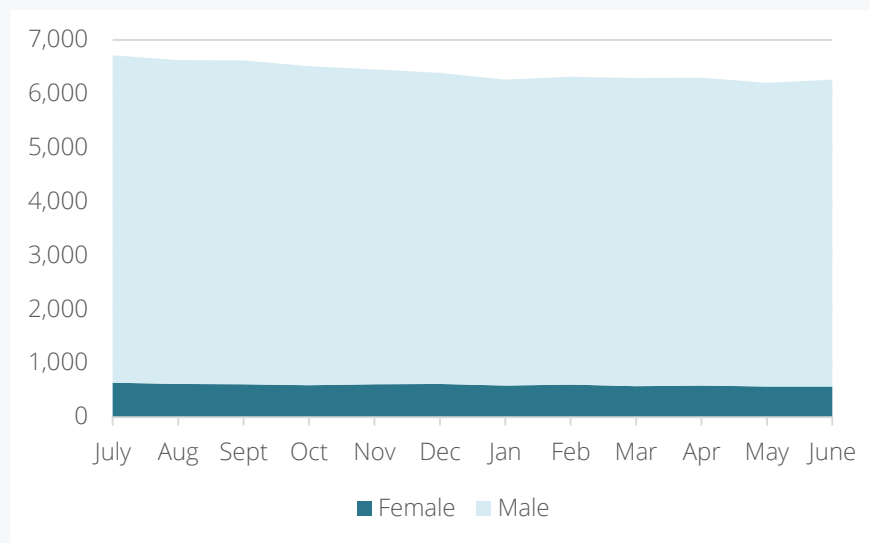


Figure 2 Adult custodial population, by gender (2021–2022)

There have been fluctuations during the year but the overall youth population at Banksia Hill Detention Centre has increased.

On 1 July 2021, there were 96 children and young people in detention compared with 110 at 30 June 2022, an increase of 12.7 per cent. On average, there were 114 young people in custody each day during this financial year, but the daily population fluctuated during the year with the number dropping to just 84 and peaking at 142. The rise in overall numbers this year has not been consistent with the downward trend of previous years. The cohort is still very complex, holding both boys and girls, sentenced and unsentenced, from all regions, ranging in age from 10 to 18 years.

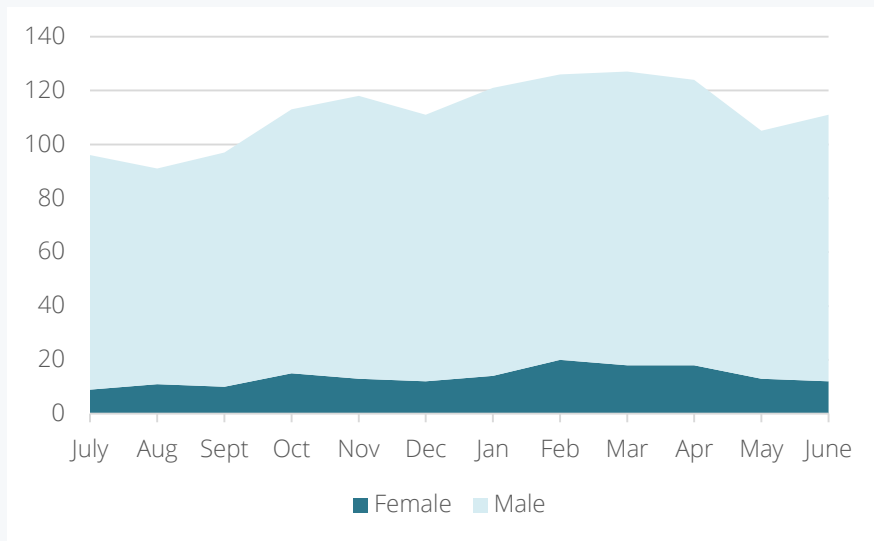


Figure 3 Youth population at Banksia Hill Detention Centre, by gender (2021-2022)

Despite the reduction in the adult prison population, many prisons remain crowded. Western Australian rates of prison utilisation are reported in the *Report on Government Services* (Productivity Commission, 2022). This is the extent to which design capacity of prisons meets the demand for prisoner accommodation. It compares the number of prisoners against the number the prison was designed to hold, along with any additional accommodation that has been added. Prisons require more beds than prisoners to cater for factors such as: the transfer of prisoners; special purpose accommodation (e.g. management or protection units); separate facilities for males and females; accommodating different security levels; and to manage short term fluctuations in prisoner numbers. Therefore, percentages close to but not exceeding 100 per cent are desirable. According to the 2022 *Report on Government Services*, Western Australia is operating at 110 per cent capacity. This is down from the 116 reported in 2021 and 127 per cent reported in 2020. We note that there is a lag in the data, and it may not fully account for the further reduction in numbers experienced this year.

The capacity of the custodial estates has expanded. In mid-2020 the first stage of the Casuarina expansion was completed. This increased the prison's capacity by 512 beds. The second stage expansion project is planned for completion in 2024 and will include an additional 344 beds mostly in specialist units. When complete, Casuarina's capacity will be close to 1,900 prisoners, making it one of the largest prisons in Australia. The expansion supplements additional capacity that has been added in other prisons, including a new unit with 160 additional beds in Bunbury Regional Prison.

While the additional beds have provided welcome relief, the problem of crowded prisons still exists. This stems from a policy of double bunking most general-purpose cells, which were originally designed for one person.

The Australasian standard guideline for a single plumbed cell is 8.75 square metres or 12.75 square metres for a double cell. But in most prisons, particularly the older ones, we have seen many cells that have been double-bunked but are closer to the recommended size of a single cell. For example, during our last inspection of Greenough Regional Prison we found that:

- ❖ Eighteen cells in Unit 1 measured 6.4 square metres but were double-bunked.
- ❖ Eight cells in Unit 2, and six cells in Unit 3, measured 7.3 square metres and were also double-bunked.

But crowded prisons also have implications for supporting infrastructure and services. During the year we have once again noted in our inspection reports the impact of expanding prisoner numbers on prison infrastructure and the ability to provide a constructive and purposeful daily prison regime.

FIRST NATIONS PRISONERS ARE STILL OVERREPRESENTED AND CONTINUE TO SUFFER DISADVANTAGE

While First Nations peoples only make up approximately four per cent of the Western Australian population, they accounted for just over 40 per cent of the adult prison population and around 75 per cent of young people in detention.

Not only are First Nations peoples overrepresented in prison, we often find that they experience ongoing disadvantage through lack of employment opportunities. It is accepted that engaging in meaningful activities in prison has the potential to provide prisoners with additional skills, improve their sense of self-worth and wellbeing, and contribute to their rehabilitation by potentially increasing their job readiness on release.

In our Greenough inspection we found that First Nations men were underemployed compared to non-Aboriginal prisoners. Twenty-eight per cent of First Nations prisoners were either not working or underemployed in unit work compared to 14 per cent of non-Aboriginal prisoners.

In our Hakea inspection we found that First Nations prisoners were underrepresented in most workplaces. The great majority were underemployed (41%) or not working (49%) during the week of our inspection. And in our Albany inspection we found that First Nations men make up 38 per cent of the prison population, but only 14 per cent were employed in industries and services outside their units (e.g. in areas like the canteen, reception and trusted cleaning jobs) compared to 47 per cent of non-Aboriginal prisoners.

Beyond the specific references in these three inspection reports, this is a consistent trend that we see across most of the custodial estate. And while there is likely to be a range of reasons why more First Nations peoples are not employed in prisons, they remain one of the most disadvantaged groups in the community. The Department can do more to ensure that appropriate strategies are put in place to open pathways for more First Nations prisoners to gain meaningful prison employment.

MENTAL HEALTH SERVICES ARE STILL IN CRISIS

Prisoners with mental illness, especially those in crisis, continue to struggle to access adequate care. The Department places prisoners with mental health issues into four categories:

- P1 - serious psychiatric condition requiring intensive and/or immediate care
- P2 - significant ongoing psychiatric condition requiring psychiatric treatment
- P3 - stable psychiatric condition requiring appointment or continuing treatment
- PA - suspected psychiatric condition requiring assessment

At any one time over the last financial year there were approximately 660 prisoners in custody, across the four categories. While this is a slight decrease from the previous year (approximately 700), it mirrors the overall decrease in the daily average prisoner population.



Photo 5 The Bindi Bindi Mental Health Unit at Bandyup Women's Prison

The Department has a responsibility to manage these prisoners and ensure their needs are being met. And while most prisons do their best to manage these prisoners on a day to day basis, prison officers do not have adequate mental health training, the availability of professional resources is limited, and designated

infrastructure is often inadequate. This is compounded by the lack of beds available at Western Australia's only secure forensic mental health facility, the Frankland Centre, which often means that prisoner patients who are extremely unwell (e.g. category P1) cannot access acute mental health services.

On a positive note, in July 2021 the Bindi Bindi Unit at Bandyup Women's Prison opened. This sub-acute step-up/step-down mental health unit is showing promise. It is designed to manage prisoners based on a therapeutic model of care with support resources based in the unit. The addition of an occupational therapist has assisted the women, especially in engaging with the National Disability Insurance Scheme.

We understand that a similar 34-bed mental health unit is planned to open for men in Casuarina Prison in 2024. This will be a much-needed addition and one we have advocated for over several years. These are positive steps, but they are not meant to, nor should they, replace the need for hospitalisation of prisoners who are acutely unwell.

Mental illness is a significant risk factor for deaths in custody. As part of our current directed review, we examined Coronial inquest recommendations to the Department between 2017 and 2021. Of the 35 recommendations made by Coroners, 10 were directly related to mental health. Many of the remaining recommendations were also indirectly related to mental health. Six infrastructure recommendations, four staff training recommendations and three prisoner management recommendations were linked to improving prisoners' mental health and welfare.

More broadly, during the year we had a briefing on the work of the taskforce examining the reconfiguration of mental health facilities in Western Australia. The plans and actions spoken of were encouraging but development of facilities to alleviate the prison situation are years away.

FURTHER DETERIORATION IN THE BACKLOG OF INDIVIDUAL ASSESSMENTS

In recent years, the Department has invested considerable additional resources in a project, the IMP Review Project, to reduce the backlog of outstanding treatment assessments and individual management plans (IMPs). This project had been successful in reducing the backlog. By March 2021 outstanding treatment assessments and IMPs were at their lowest (316 and 408 respectively) compared to their highest in July 2019 when there was 710 outstanding treatment assessments and 1,079 outstanding IMPs.

Over the last financial year, the backlog for both has substantially increased again and, surprisingly, the Department advised us that it had closed the IMP Review Project on 30 June 2022. In its final June 2022 update to our office, the Department advised that some of the outstanding IMPs were between nine and 12 months overdue, with the longest almost 18 months for a prisoner at Bunbury Regional Prison and 14 months for a prisoner at Eastern Goldfields Regional Prison.

If all of the 738 prisoners awaiting an IMP on 30 June 2022 were placed together in one facility, they would comprise the fourth largest prison in Western Australia, behind Acacia, Casuarina and Hakea.

This backlog has been a concern for this Office since 2018 and will continue as such given the cessation of the IMP Review Project. But this issue is not just about figures or data. These numbers represent individual men and women in prison who are unable to get a timely assessment of their rehabilitative treatment needs as the first step in creating an opportunity to successfully turn their lives around and re-join society.

Assessments are a pivotal part of the Department's mandate to reduce reoffending. In order to address their offending behaviour prisoners must first have their

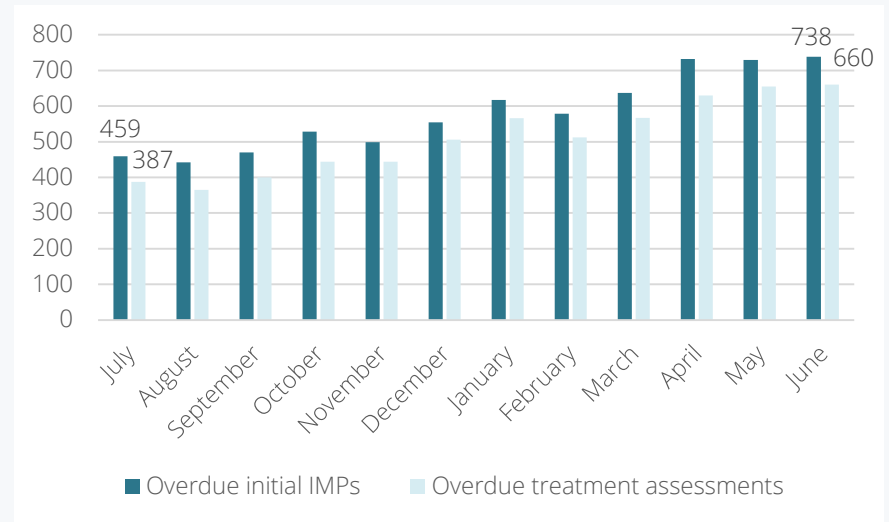


Figure 4 Number of overdue initial IMPs and treatment assessments (2021–2022)

individual needs assessed and identified, and an IMP prepared so they can be allocated to suitable criminogenic programs and additional supports. Once assessed and an IMP prepared, prisoners must then be able to access programs. We have reported on many occasions the difficulties prisoners have in accessing appropriate programs and the consequential risk they face of being denied parole opportunities. For some this means remaining in prison longer than necessary, at an average cost of \$371 per prisoner per day or more than \$135,000 per year.

In the course of our work this year the Department has advised that COVID-19 has significantly impacted the IMP process and backlog. Both staff and prisoners have been ill or quarantined. Although we acknowledge these factors, we also note that concerns about the backlog preceded the pandemic by several years. In the absence of a dedicated project we are unsure of how the Department can make significant inroads into this backlog in the coming year.

THE DEPARTMENT NEEDS A SETTLED LONG-TERM STRATEGIC PLAN FOR THE MANAGEMENT OF THE CUSTODIAL ESTATE

When we conduct inspections of custodial facilities, we look for evidence of a strategic plan which sets the vision for the facility and outlines the strategic goals and operational plans for how to achieve them. This forms part of the governance arrangements contained in our **Revised Code of Inspection Standards for Adult Custodial Services**. Good governance is essential for the safe and secure management of prisons.

What we generally find is a mixture of short plans with limited detail right through to more comprehensive plans. These documents are often quite generic and many do not appear to take into account the specific requirements of the individual facility.

However, it is difficult to criticise prisons for not having more substantial strategic plans as they are often working without a settled strategic direction for each prison from the Department.

The Department does have a Corrective Services Strategic Plan 2019-2022 which provided guidance to the custodial estate. But there has been an ongoing period of change and reform in the Department with many major projects commenced but not yet finalised. Understandably, the focus appears to be on the daily management of issues in the custodial estate, in particular the challenges presented by the management of COVID-19, the crisis in the youth estate, and ongoing budget pressures.

One such project was the Prison Network Design Project which we understood was going to identify an integrated model with clear roles and functions for each of the prisons across the custodial estate. By 2020, it appeared that this project had been merged with the Prison Services Evaluation Project. During the course of our work we have also been told about the Department's work on a long-term custodial infrastructure plan and a long-term strategic information technology plan and many other reforms and reviews.

But we would argue that the time is right for the Department to establish a settled long-term vision and strategic plan. Such a plan should set the direction and operating philosophy for corrections generally and for each facility specifically. This would allow each prison and the detention centre to set a clear direction focussing on the broad expectations identified for each facility.

PROGRESS ON OPCAT IMPLEMENTATION REMAINS SLOW

In July 2019 we were nominated as one of two National Preventative Mechanism (NPM) bodies for Western Australia as part of the preparation for implementation of the United Nations *Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment* (OPCAT).

The original terms of the agreement to ratify OPCAT required that the protocol commence operation in Australia by 20 January 2022. The Australian Government secured an extension from the United Nations for a revised implementation date of 20 January 2023.

By the end of June 2022, only a few Australian States had nominated NPM bodies and national consensus and agreement between the States and Commonwealth had not yet been reached.

Notwithstanding the delays, we have continued to hold discussions with the Commonwealth Ombudsman, as the nominated National Coordinating body, and Western Australia's other nominated NPM body, the Western Australian Ombudsman. Discussions have also continued with both the Commonwealth Attorney General's Department and the Western Australian Department of Justice, as the lead agencies responsible for negotiations and preparing for implementation.

As we have stated in previous Annual Reports, without national agreement around implementation, it has not been possible for us to commit significant resources to developing important processes and structures around how we will undertake this new work. This includes: contributing to the development of legislation to expand our jurisdiction to cover inspection of police lockups; the development of appropriate inspection standards and protocols; preparing reporting frameworks and templates; and the identification of resource needs. Some preliminary work has been undertaken by us and the Ombudsman's Office to identify appropriate consultative networks with civil society groups that could inform our OPCAT work.

We are fortunate to have a well-developed model for undertaking inspections of prisons, detention centres, court custody centres, and prescribed lockups. But the new OPCAT jurisdiction involving these services will most likely require some changes to our existing methodology, reporting, and networking.

The absence of a national agreement around the implementation of OPCAT has meant that once again we have not been able to make much progress this year.

MONITORING THE CONDITIONS OF REGIONAL AND REMOTE PRISONER TRANSPORTS

Between 2018 and 2021, there were just over 120,000 external prisoner movements with a destination or origin at a regional or remote prison in Western Australia. Many of these movements were for short trips to facilitate court appearances, health appointments or external work activities. However, long-distance journeys to transfer prisoners between facilities were also undertaken. Generally, this included coach journeys to Albany and Kalgoorlie, and plane trips to the facilities in the north of Western Australia. But long-distance road journeys still occurred for some unscheduled transfers or where a prisoner was assessed as being high-risk.

Over the years we have undertaken a suite of work on custodial transport services in Western Australia. Our detailed inspections and reviews of custodial transport services since 2001 provide a thorough history and timeline of key issues, events and changes to policy and practice in this space. We have also completed a range of reviews on various other topics such as prisoners' access to mental health treatment and their ability to attend funerals. These topics have some intersectionality with prisoner transportation.

However, it has been some time since we have undertaken a review specifically examining prisoner transport. During the year through our inspection and liaison activities, we have identified a number of incidents that have occurred during regional transportation of prisoners which have caused us concern. This prompted us to commence a review into regional and remote transports and whether these are conducted in a safe, secure and humane manner. We will report on this work in the next financial year.

BANKSIA HILL, A POTTED HISTORY

Banksia Hill opened in 1997 with a capacity for 120 sentenced young people in Western Australia. Unsensenced young people who were newly arrested or on remand were placed at the State's other youth detention facility, Rangeview Remand Centre (Rangeview). Banksia Hill's campus style was regarded as a national benchmark, influenced the design of other youth detention facilities in Australia, and received an award for its outstanding design (OICS, 2013).

The first inspection of Banksia Hill was conducted in 2005 after the Inspector of Custodial Services Act (2003) was enacted extending our jurisdiction into youth detention centres. The centre was considered 'one of the best-performing institutions' in the state (OICS, 2006, p. v) with a strong pro-social environment and good staff-young people interactions. In June 2008 the second inspection occurred: the findings were less positive, but a pro-social environment still existed (OICS, 2008). Following this, in January 2010 the State Government announced it would close Rangeview in late 2012 and all young people would be placed at Banksia Hill.

The redevelopment of the centre commenced to accommodate the increased capacity. Building within the centre's secure perimeter created significant risk and an increase in critical incidents ensued. Despite this, and efforts from the then Inspector warning of the need to delay the amalgamation, the transfer of young people from Rangeview commenced in late September 2012 with the final transfers in early October 2012.

And, while there have been some small periods of stability since that time, this was, in essence, the beginning of more than a decade of challenges and crises at the centre. Banksia Hill as a 'one-stop-shop' has, with time, proven to be a failure.

Since 2005, this Office has produced 11 reports on the facility, nine of which occurred in just over 10 years. It is the most heavily scrutinised custodial facility in the state. And so it should be given the inherent risks with accommodating young people in detention but also because of its history of significant instability. It is disappointing that many of our reports have covered the same general themes and made similar recommendations regarding an operational philosophy, behaviour management practices and out-of-cell hours, and workplace culture and trauma.

OPERATIONAL PHILOSOPHY

Since 2010 Banksia Hill has tried to implement various operational philosophies to guide staff in the management of the young people placed there. The policy titled **Making a Positive Difference to the Lives of Young People in Youth Custodial Services** was endorsed in November 2010 and a revised version was subsequently endorsed just six months later. Although we found that it was not a fully polished document, it did encompass all key areas and contained some important ideas about the management of young people. However, this was soon cast aside and by mid-2012 another philosophy of **Safety, Purpose and Respect** had become the focus.

Then, after the 2013 riot, the primary focus for centre management in 2013 and 2014 was getting 'back to basics' (OICS, 2017). In 2015 the Department began to develop new philosophy for the 'transformation' of Banksia Hill which drew on the **Sanctuary Model**, the **Missouri Model** and the **We Al-Li Model**. The intent and core principles of trauma informed care were sound, but the implementation of the transformation was poor. And the events of May 4 and 5 2017 meant the transformation project was officially abandoned.

We have recommended Banksia Hill continue to pursue a **trauma-informed model of care** since 2017 (OICS, 2021; OICS, 2018; OICS, 2017), and more broadly, since 2013 that it implement a clear and consistent operational philosophy (OICS, 2015; OICS, 2013). More than simply being theoretical, the operational philosophy must underpin everything that Banksia Hill seeks to deliver. Staff must be fully trained and understanding of the source and drivers of trauma in young people and how that impacts individual behaviour.

BEHAVIOUR MANAGEMENT PRACTICES AND OUT OF CELL HOURS

In the same vein, we have conducted four reviews, audits and inspections with an in depth focus on behaviour management practices and their subsequent effect on out of cell hours at Banksia Hill (OICS, 2022; OICS, 2018; OICS, 2017; OICS, 2012). As far back as 2011 we found that young people were being locked down in their cells or units far more frequently than adults in prisons (OICS, 2012). The use of regression (as it was known at the time) was officially badged as a targeted and individualised regime for improving behaviour. And while it was legally separate from the punishment of young people for detention centre offences under the *Young Offenders Act (1994)* (the YOA) or *Young Offenders Regulations (1995)* (the Regulations), it was in many respects indistinguishable from formal punishment and generally of a longer duration (OICS, 2015).

When Banksia Hill moved from regression to Personal Support Plans in 2017, we reviewed these behaviour management practices again. We found that isolation in cell was overused and that some young people were being denied their legally required time out of cell (OICS, 2017). Similarly, in 2018 when Amnesty International raised concerns about young people at Banksia Hill, we found that their time in cell had not breached legislation because they were not being held in ‘confinement’ under the YOA or Regulations. However, their time in cell was again considered

indistinguishable from formal punishment (OICS, 2018). Most recently, our inspection in November 2021 found that the time some young people were spending in cell was akin to solitary confinement (OICS, 2022).

In these reports we also found:

- ❖ that formal detention centre charges were rarely used
- ❖ there was poor documentation and record keeping practices
- ❖ proforma documentation that was used lacked specificity and measurable goals which was inconsistent with the argument that behaviour management was individualised
- ❖ that staffing was inadequate to ensure young peoples’ entitlements were being met.

WORKFORCE TRAUMA AND CENTRE TARGET HARDENING

As Banksia Hill has moved through the last decade pushing through one crisis to the next, we have been unsurprised to find a workforce that has been worn out and traumatised. Many staff have experienced or witnessed assaults and destructive behaviour, or self-harming and attempted suicides by young people (OICS, 2022). In working with traumatised detainees, staff are also exposed to vicarious trauma (OICS, 2021). Low morale and high stress have been openly acknowledged (OICS, 2018; OICS, 2013) and staff resiliency should be commended.

Our reports have highlighted how high attrition rates and workers’ compensation claims have exacerbated the lockdown of young people which in turn has shown to increase the ‘temperature’ of the facility (OICS, 2013). This becomes a vicious spiral affecting staff morale further and resulting in more frequent and severe critical incidents, followed by periods of lockdown (OICS, 2022).

In an attempt to quell some of the critical incidents, particularly post-2013, significant target hardening of Banksia Hill has occurred. Grilles have been added to cell and office windows, anti-climb screens have been installed, and demarcation fences topped with cowling prevent free movement across the facility. It is a very different facility to the one which won a Royal Australian Institute of Architects Award of Merit (Public and Institutions) in 1998. Such retrofits have been largely welcomed by staff. But the measures have not prevented young people finding new, often more violent or destructive ways to circumvent their intended purpose. This further contributes to spiralling staff morale and critical incidents.

FURTHER DETERIORATION

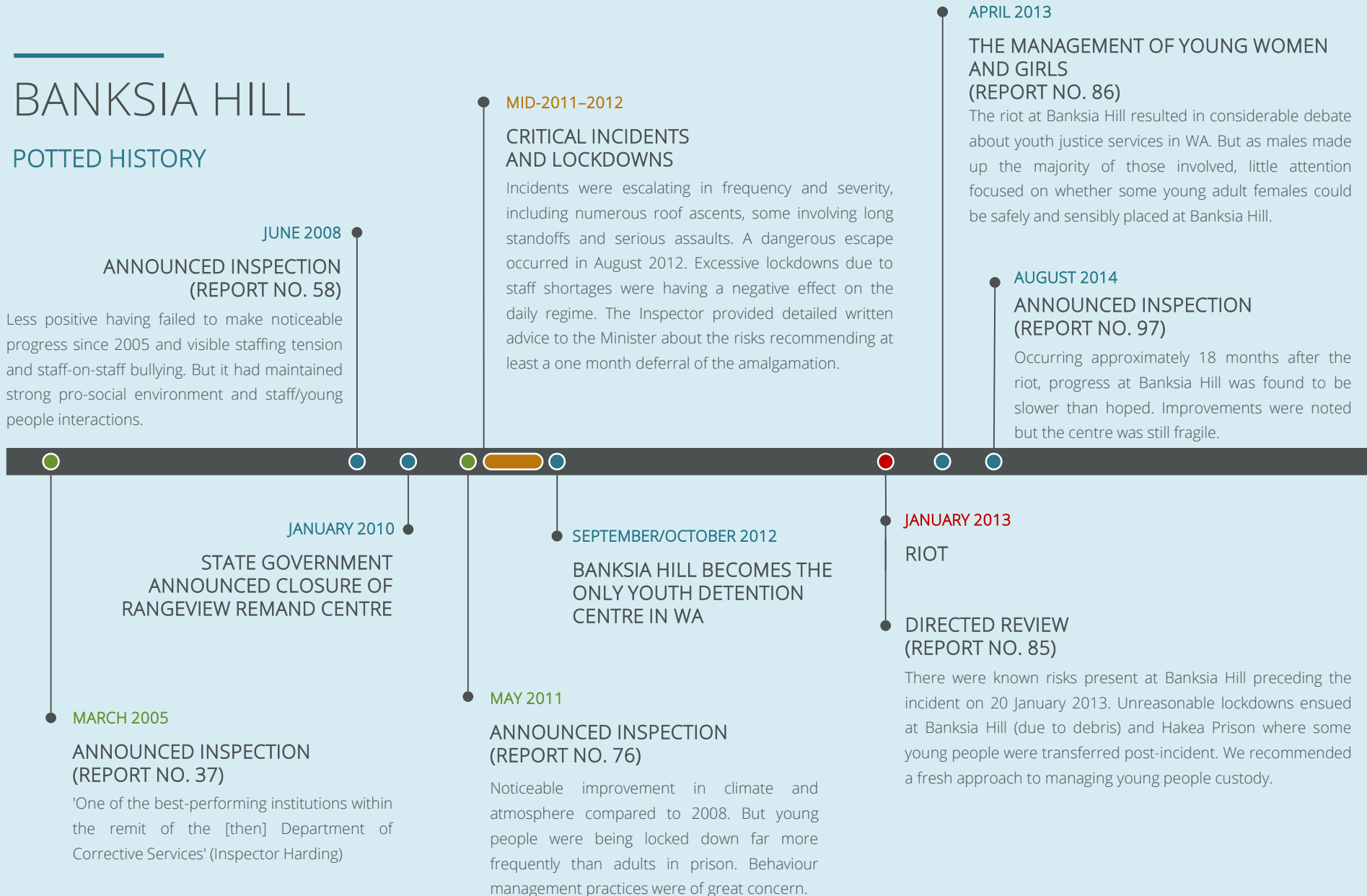
In November 2021 we were so concerned about conditions at Banksia Hill that we conducted an inspection of the Intensive Support Unit (ISU). A Show Cause Notice was issued to the Department and, following consideration of the response, the Notice was then referred to the Minister for Corrective Services.

We found that young people in the ISU had been on several occasions denied their minimum time out of cell. Following publication of this report in April 2022 the situation at Banksia Hill has deteriorated further, with increased number of critical incidents, self harm and suicide attempts, staff assaults and significant infrastructure damage.

The above commentary covers the period of the Annual Report (i.e. up to 30 June 2022), but events since that time have continued to deteriorate and gain significant public attention.

BANKSIA HILL

POTTED HISTORY



JULY 2017

REVIEW INTO BEHAVIOUR MANAGEMENT PRACTICES

Behaviour management practices were found to be inconsistent, inexplicit and ineffective. The problems were exacerbated by the lack of options created through having only one youth detention centre in WA. Although the centre was transforming towards a trauma informed model of care, implementation was poor and staff were understandably confused.

ANNOUNCED INSPECTION (REPORT NO. 116)

The centre was recovering and re-building from its recent history of instability and the events of May 2017. It was more stable and the Department was more reflective, realistic and responsive. However, too many basic service areas needed fundamental redevelopment or reappraisal.

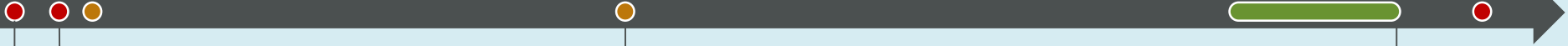
DECEMBER 2021

UNSCHEDULED INSPECTION (REPORT NO.141)

We had increasing concerns about the welfare of young people and staff following a rise in the number and severity of critical incidents. These had a significant impact on services due to frequent lockdowns, infrastructure damage, and very high staff attrition rates. Some young peoples' human rights were being breached.

CRITICAL INCIDENTS – SHOW CAUSE NOTICE

Referred to the Minister for Corrective Services.



MAY 2017

CRITICAL INCIDENTS ON 4 AND 5 MAY

DECEMBER 2016

CRITICAL INCIDENT RESPONSE - SHOW CAUSE NOTICE

On 31 December 2016 three young people ascend the roof at Banksia Hill. The Inspector issued a Show Cause Notice due to a reasonable belief that a young person was subjected to degrading treatment during the Department's response to this incident.

SEPTEMBER 2020

ANNOUNCED INSPECTION (REPORT NO. 135)

The three years leading into this inspection were the most settled period Banksia Hill had seen in recent history. Population numbers were low and the reduced workload pressures eased tensions. However, the centre still lacked an operational philosophy to drive a consistent and unified approach.

JANUARY 2018

DIRECTED REVIEW

Amnesty International Australia raised specific allegations about two young people and a general claim that they were held in conditions of prolonged solitary confinement. Record keeping and reporting were found to be areas of great concern and it was clear that a comprehensive review of legislation and policy was required regarding the use of special regimes and confinement.

ACHIEVEMENTS IN 2021-22

The Office tabled 11 reports in the last financial year, which included 130 recommendations.

TABLED REPORTS

↑ 38%

Target Exceeded in FY21-22

This year we tabled **11 reports**, which was three more than FY20-21. We exceeded our target of nine reports.

COST OF REPORTS

↓ ~\$75K

Average Cost Decreased

Due to the increased number of reports we tabled, the average cost of producing those reports decreased by more than \$75,000 from \$341,243 in FY20-21 to **\$265,862 this year**.

RECOMMENDATIONS

130

Target of 100 Exceeded

- 91/130 recommendations
- ❖ Supported
 - ❖ Supported in principle
 - ❖ Supported current practice or project

(This equates to 70% acceptance rate, down from 87% in FY20-21)

REVIEWS

In 2021/2022 the Office tabled four reviews. These covered smoking policy and practice in Western Australian prisons; access to dental care while in custody; the management of protection prisoners and their growing population; and the availability of supports for people in custody who are perpetrators and survivors of family and domestic violence.

In the past year we also commenced another three reviews including a ministerial-directed review as per Section 17(2)(b) of the Act. It is examining the Department's response to formally accepted coronial recommendations from death in custody inquests between 2017 and 2021. The second review is investigating the use of confinement and management regimes in prisons while the third review is examining the safety, security and welfare of adult prisoners during regional and remote transports. These three reviews are expected to be tabled in 2022/2023.

SMOKING IN WESTERN AUSTRALIAN PRISONS

The harmful effects of smoking and second-hand smoke are well documented and commonly known. As such, many prisons across the country have banned smoking. However, this review found that in Western Australian prisons, where smoking is still permitted, more than 80 per cent of prisoners actively smoke compared to just 11 per cent in the wider community. We also identified that in addition to the health-related risks, smoking presented a range of custodial challenges with tobacco seeking increasing instances of harassment, hounding, and trading related debts among prisoners.

The report argued that since an initial attempt to trial a smoke-free prison in 2014, the Department had not been proactive in initiating smoking policy reforms. The Department had not undertaken any policy evaluations, monitored its own key smoking indicators, or developed a plan to better understand the risks associated with the continuation of smoking in prisons. And, while some initiatives aimed at reducing or limiting smoking had been tried, these were championed by individuals or specific prisons rather than as a system-wide program which meant there was little overall impact.

The review found that there was ample evidence to support a smoking ban in Western Australia, recommending the State Government and the Department commit to a timeline to implement a smoke-free prisons policy. However, the report also warned against introducing a ban overnight to prevent significant disruption. A well resourced and comprehensive plan with sufficient lead in time is needed for success.

PRISONER ACCESS TO DENTAL CARE IN WESTERN AUSTRALIA

Good oral health is a critical part of our overall health and wellbeing allowing us to talk, eat and drink without experiencing pain, discomfort or embarrassment. However, it is a sad reality that for some people, prison is the only time they see a dentist. This means they are more likely to need a higher level of service and more intensive treatments. Through our inspection and liaison work, we have long heard concerns regarding the provision of dental care in Western Australian prisons. Over time we had seen limited improvement, and in some cases, further deterioration. As such, we undertook this review, as part of our Snapshot Series, to delve deeper into the issue.

The review's findings were not unexpected: dental service provision was inadequate and not meeting the demand within the prison population. The barriers to adequate dental care were also obvious but not well managed by the Department of Justice.

We identified that most dental services were provided to prisoners under a Memorandum of Understanding between the Departments of Justice and Health. However, the Department of Justice could not demonstrate that it maintained effective oversight of the service despite having ultimate responsibility for the provision of humane and decent health care for prisoners in its care.

The review recommended that the State Government commit additional resources to increase the number of dental teams in Western Australian prisons. In responding to the recommendation, the Department of Justice explained it had written to the Department of Health advising it of the additional demand for services and seeking support for adequate resources. While we were pleased with this first step, we will continue to monitor service delivery during our inspections and liaison visits to prisons across the state.

MANAGEMENT OF PRISONERS REQUIRING PROTECTION

This review found that the Department was committed to the safety and security of prisoners who sought protection from other prisoners. However, in examining protection prisoner policy and management over the last decade, the review also revealed that the Department was risk averse rather than proactive in assessing and reviewing prisoners' protection status. And as a result, protection prisoner numbers had climbed sharply since 2011.

During this review, staff and prisoners alike told us that people in protective custody often forgo opportunities and entitlements that are given to mainstream prisoners in order to ensure their safety and security. They effectively live in a prison within a prison often at the expense of their ability to access rehabilitative supports like education, employment, and treatment programs.

We have been particularly concerned about prisoner access to treatment programs for several years. This review allowed us to delve more deeply into the issue, showing how the current method of program delivery marginalised the protection prisoner cohort. The review also recognised that there were system-wide lessons to be learned. As such, the review recommended investigating opportunities to improve access to treatment programs not just to protection prisoners, but across the prison estate. The Department supported the recommendation advising of its intent to change program delivery through modularised programs.

SUPPORTS AVAILABLE TO PERPETRATORS AND SURVIVORS OF FAMILY AND DOMESTIC VIOLENCE

Family and domestic violence (FDV) is a complex issue that has gained greater attention amid the COVID-19 pandemic. FDV causes significant physical, psychological and financial harm to survivors and witnesses and is a highly gendered issue. Although anyone can be a survivor of FDV, women are more likely to be victimised and men are more commonly perpetrators. There is also a wealth of research examining the intersectionality of the perpetrator, survivor and witness roles.

This review allowed us to examine what the Department was offering in support for people in custody who were perpetrators, survivors and witnesses, or a combination of the three. We found that the Department had robust security mechanisms in place to identify perpetrators and that survivors and witnesses autonomously self-disclosed. However, the supports available were limited or hampered by known barriers. We found that few people were accessing criminogenic treatment programs and any voluntary programs available had limited focus on FDV. We also found that other supports were stretched; there were too few prison counsellors (psychologists and social workers) to meet demand and accessing the Aboriginal Visitor Scheme was challenging due to significant vacancies. Ensuring these critical support services are adequately funded will assist the Department meet its remit to rehabilitate people in custody and reduce reoffending. We welcome the Department supporting (to some degree) each of the seven recommendations made in this review. However, we also noted that the Department had closed off all the recommendations as 'completed'. This is of considerable concern to us, suggesting that nothing additional would be done in order to meet the spirit and intent of our recommendations.

INSPECTIONS

Completed Inspections

This year, we completed the on-site inspection of the following custodial facilities:

- ❖ Hakea Prison (July 2021)
- ❖ Greenough Regional Prison (September 2021)
- ❖ Acacia Prison (November 2021)
- ❖ Intensive Support Unit at Banksia Hill Detention Centre (December 2021)
- ❖ Pardelup Prison Farm (January 2022)
- ❖ Roebourne Regional Prison (March 2022)
- ❖ Broome Regional Prison (May 2022)

We tabled seven inspection reports.



Photo 6 Inspector Eamon Ryan facilitating a staff meeting during an inspection

REPORT 136: INSPECTION OF MELALEUCA WOMEN'S PRISON

Melaleuca transitioned from private management (under Sodexo) to public operation on 4 April 2020. It retained its role as the primary remand facility for women in Western Australia. We inspected the facility seven months after its transition from private to public operation. The progress since transition had been slow and not without challenges. But we found that the prison was moving forward positively, guided by an experienced Superintendent.

Infrastructure and health services raised the most concerns during our inspection. Lack of sufficient and appropriate learning and activity spaces were a leading cause for concern. There was no dedicated education centre, limited employment workshops, limited private interview rooms, and no gym or indoor recreation facility. There were only four program rooms that were used by education and program facilitators. They also doubled as the library, art space, passive recreation rooms and computer centre.

Health services were struggling to keep up with demand, and access was hampered by an inefficient appointment system. Dental services were almost non-existent, despite high demand. Seven of our 14 recommendations related solely to health and mental health services.

REPORT 137: INSPECTION OF WOOROLOO PRISON FARM

As a minimum-security prison, Wooroloo had set itself a vision to be Australia's leading re-entry prison providing innovative and sustainable rehabilitation, improved community safety, and setting aspirational standards for all. During our inspection, we saw many positive initiatives supporting this goal, including strong and stable leadership, a functional and positive health team, and a constructive day that allowed prisoners greater freedom of movements for most parts of the day.

Addressing the rehabilitation needs of prisoners requires a combination of education, training and employment opportunities, that are supported by a range of programs aimed at reducing the drivers of offending behaviour. If Wooroloo and the Department are to meet the goals they have set themselves then they must offer a comprehensive range of all these activities.

Our report identified opportunities for improvement in the therapeutic and voluntary programs available for prisoners. We also heard that delays in the approval processes for external activities at Wooroloo were causing an impact. These were important in developing prisoners' skills and capacity for post-prison life in ways that maximises the potential for them to break the cycle of recidivism.

REPORT 138: INSPECTION OF ALBANY REGIONAL PRISON

Albany had benefited from a drop in prison population which allowed A and B Wings in Unit 1 to temporarily close. While this presented an opportunity to replace or renew that Unit as recommended in our 2018 report, there were no plans to make any improvements. Our report also identified concerns at the lack of an appropriate crisis care and infirmary facility, particularly given the prison's distance from Perth.

We found several improvements in services and conditions for prisoners. These included: reception and orientation processes; some aspects of education; work and training opportunities; and assessments, programs and transition management. The health centre was running more cohesively than we had seen previously. E-visits were a valued complement to personal visits and prisoners welcomed the return of kangaroo and damper to the menu.

But there were concerning deficiencies in mental health and counselling staffing, in dental care, in voluntary rehabilitation programs, and in the functioning of peer support.

Only 45 percent of prisoners were engaged in meaningful education, employment and training activities. The remainder only had unit-based work or were unemployed. Aboriginal prisoners comprised 38 per cent of the Albany prison population but made up only 14 per cent of prisoners employed in meaningful activities.

Albany also had good recreation resources, a well-stocked library and canteen. But prisoners were frustrated at the lack of access to the oval and to organised sport which was supposed to run on the weekend but was often cancelled due to staff shortages. Access to education and industries were also regularly affected by staff shortages.

REPORT 139: INSPECTION OF BORONIA PRE-RELEASE CENTRE FOR WOMEN

Boronia continued to perform well. We found a safe, supportive and positive environment. There was some instability in the leadership team, and this was having some implications for staff/management relations. We recommended that senior management positions be substantively filled in order to address these issues.

Previously we have recommended increased use of the Section 95 program for prisoners to enhance their reintegration prospects. Although some work had been done in this space, the COVID-19 pandemic had eliminated most of this progress. And while restrictions had eased in the community, prisons maintained stricter limitations. These restrictions eased during our inspection and we expected to see this program restart and gain momentum.

Boronia is a self-care facility where residents live communally and share household tasks. They are provided a weekly budget for food. Some houses managed this function well while others struggled. So residents would benefit from specialised life skills' support to assist them to learn how to manage household responsibilities, which is essential for successful reintegration.

We found that Aboriginal residents, particularly those who are out of country, could benefit from more support. We thought that cultural engagement and connections could be strengthened and so we recommended programs to engage Aboriginal women and which reflect the diversity of the Aboriginal women residing at Boronia.

REPORT 140: INSPECTION OF HAKEA PRISON

Hakea was holding fewer prisoners than in previous inspections, its population dropping from 1,146 in 2018 to 939. Despite this, we found the prison remained under pressure due to increasingly aged infrastructure and ongoing resource challenges. Specific areas of concern were:

- ❖ poor accommodation cell amenity and decency
- ❖ poor CCTV coverage creating safety and security risks
- ❖ inadequate spaces for prisoner employment, education and training
- ❖ health and safety risks in the kitchen
- ❖ inadequate office space for support services to be delivered.

However, it was health services that dominated the key findings of this inspection. The provision of primary health, mental health, addiction management, and self-harm prevention, all were a source of risk and concern. Inadequate infrastructure, staffing, policy, and processes all contributed to our findings and as a result 12 of the 21 recommendations we made related to health/mental health services.

As the main metropolitan remand prison, Hakea's reception and services to facilitate court appearances functioned well. However, changes to orientation procedures and staffing redeployments created risks to settling new, often anxious and detoxing arrivals.

Positively, relationships between staff and management at Hakea were more settled and positive than we had seen in previous years. And although the senior management team were not all substantively appointed, they were cohesive, worked well together and had clear direction. This generally resulted in a more positive staffing group.

REPORT 141: INSPECTION OF THE INTENSIVE SUPPORT UNIT AT BANKSIA HILL DETENTION CENTRE

This inspection was triggered due to concerns about the welfare of detainees and staff after a turbulent period where critical incidents, including self-harm and attempted suicides, had increased. What we found was, unfortunately, similar to our previous work in this space – that young people in the ISU were often being held in conditions akin to solitary confinement and in breach of international human rights agreements. The conditions for detainees were poor, fuelled by infrastructure challenges, staffing shortages, and the general volatility of the facility.

Of significant concern was a considerable increase in threats of self-harm, actual self-harm, and attempted suicides in the latter part of 2021. These increased slowly throughout the year, peaking in September, October and November. It was distressing to hear young people speak of their anguish and frustration, and how they had formed a ‘suicide squad’ in response to the conditions they were enduring in the ISU. Our analysis found that the increase in self-harm incidents had a direct correlation to decreased time out-of-cell.

We were so concerned by these findings that we issued the Department with a Show Cause Notice under section 33A of the Act. Following consideration of the Department’s response we referred the Notice to the Minister.

In response to our report and the Show Cause Notice the Department provided a detailed submission outlining actions to address our concerns. This included addressing staffing shortages, infrastructure improvements, and the ongoing development of a trauma-informed model of care. While supportive of these measures, we also stressed the importance of immediately providing an additional non-custodial workforce alongside the custodial workforce to support the young people in the ISU.

REPORT 142: INSPECTION OF GREENOUGH REGIONAL PRISON

Since the riot of 2018, the Greenough prison community has been on a journey of recovery. We found an experienced leadership group with a clear strategic plan. Prison infrastructure had been repaired and strengthened, and the security team expanded. The renovated and rebuilt Unit 4, a stand-alone women’s precinct was now open.

But some staff and prisoners who were at Greenough during the riot told us that they still experienced post-traumatic stress. This was worse when adaptive regimes or lockdowns were in place. We found that there was an opportunity for the Department to be more proactive in supporting prisoners and staff with their unresolved trauma.

We were concerned that prisoners were raising with us some of same issues that Greenough’s intelligence services had identified in their post-riot assessment. Prisoners also wanted more access to freshly cooked food, like what is available in other regional prisons. But meals at Greenough are often prepared, then reheated and served over the following days. We also heard that there were not enough phones in units, so prisoners had to wait an hour between phone calls to friends and family. Also, because recreation officers were frequently redeployed due to staff shortages, prisoners did not always get out of the unit to the oval or recreation hall.

UPCOMING INSPECTIONS

Section 33(2)(e) of the Act requires the Inspector to provide notice via the Annual Report of announced inspections that will be conducted in the next financial year. Inspections proposed for 2022-2023 are:

- ❖ Karnet Prison Farm (July 2022)
- ❖ Casuarina Prison (September 2022)
- ❖ Wandoo Rehabilitation Prison (November 2022)
- ❖ Banksia Hill Detention Centre (February 2023)
- ❖ Eastern Goldfields Regional Prison (April 2023)
- ❖ West Kimberley Regional Prison (May 2023)

OUR MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT WAS FINALISED

In March 2022 our Memorandum of Understanding (MOU) with the Department was finalised and endorsed. It covers our communication protocols and information requests, reflecting our practice over recent years. It also establishes timeframes for departmental responses to our draft reports and the levels of support for the recommendations we make.

The main change within the MOU is the clarification of categories used to indicate levels of support for our recommendations. These are now well defined, providing a strong framework for our Office when assessing the implementation of a recommendation through subsequent inspections and follow-up reviews. The new levels, set out below, were only in use for the last four reports published this financial year.

LEVEL OF SUPPORT	DEFINITION
Supported	The Department supports the recommendation and commits to taking action to address the recommendation.
Supported in Principle	The Department supports the principle of the recommendation, however there may be practical impediments to its implementation, e.g. may require research, additional resources (human, financial and physical), and cooperation from external stakeholder/s.
Supported Current Practice/Project	The Department acknowledges the recommendation, noting that work to address the recommendation has been completed or has commenced and is being monitored through internal governance processes.
Not Supported	The Department does not support the recommendation and does not intend to take any action.
Noted	The recommendation is outside the influence/control of the Department.

The MOU will be reviewed every three years and updated as necessary.

DEVELOPMENT OF OUR NEW INNOVATE RECONCILIATION ACTION PLAN (RAP)

In November 2021 we signed on again with Reconciliation Australia to develop our second RAP. In redeveloping this, we appointed the Deputy Inspector as our RAP Champion and established a RAP Working Group, named Maar - meaning 'hand' in Noongar language. Our CLO spent time in our initial working group meeting to speak from the Koort (heart) describing how meaningful our RAP was to him personally, as an employee within this Office, and as a critical liaison between us as a government agency and the community. In sharing his cultural knowledge, he reflected how the working group members were representatives of the five divisions, or 'five fingers' within our Office working together as 'one hand' to foster our reconciliation journey. He suggested we rename ourselves with respect to this cultural learning and meaningful experience.

The Maar met seven times during our RAP's development and feedback process prior to submitting our final draft in June 2022. It contains 17 actions and 79 deliverables that we have set for ourselves to commit to reconciliation and promote equity and respect and celebrate diversity, particularly as our work with people in custody brings into sharp focus the need for reconciliation action. And while we did not receive final endorsement within the reporting period for this financial year, we look forward to promoting our reconciliation activities in the next Annual Report 2022/23.



Photo 7 OICS RAP Working Group - Maar

COLLABORATION AND RELATIONSHIPS

PARLIAMENT

The Inspector is accountable to Parliament and tables inspection and review reports in Parliament directly. We send copies of exit debriefs, delivered in the prison after each inspection, to the Legislative Council Standing Committee on Public Administration. We also provide submissions, evidence and advice to Parliament and its committees on request.

We welcome these opportunities to provide information and advice on correctional issues to Parliament. Well-informed Parliamentarians are a vital safeguard for balanced criminal justice policies and for the rights of people in custody.

MINISTER

The Inspector is an independent statutory officer who reports to the Parliament. However, positive engagement between the Inspector and the relevant Minister is also vitally important to maximising the value of the Office.

The Inspector and the Minister have regular scheduled meetings to keep the Minister informed of areas of concern, risks and areas of good performance. Other meetings are held as required between the Inspector and the Deputy Inspector (or other Office staff) and the Minister, the Chief of Staff or relevant policy advisers.

DEPARTMENT OF JUSTICE – CORRECTIVE SERVICES

As an independent oversight and accountability agency, the Office operates separately from the Department.

The Act provides that the Inspector, and any person authorised by the Inspector, must have free and unfettered access to any place of custody, to people in custody, and to staff and management. It also requires free and unfettered access to all documents in the possession of the Department (or a contractor or subcontractor) in relation to a prison, a detention centre, a custodial service, or a person who is, or has been, a prisoner or detainee.

The Inspector meets regularly with the Director General and the Commissioner to discuss concerns, risks and areas of good performance. This is a positive opportunity to share information and address issues that arise from time to time. In addition, senior officers from the Department and our Office meet regularly to discuss issues and receive briefings on reforms and changes in the Department.

OTHER DEPARTMENTS AND AGENCIES

Some of the matters that fall within our jurisdiction involve issues that go beyond the scope of the Department. It is therefore important for us to be able to reach out to all relevant parties. Section 27 of the Act provides the statutory authority to do this.

We also maintain contact with private contractors and other agencies who provide custodial services to share information and enhance understanding about our role and expectations. This year, we met formally with relevant contractors and agencies on a regular basis.

OTHER FUNCTIONS

SHOW CAUSE NOTICES

Section 33A of the Act gives the Inspector power to issue a show cause notice to the Department if there are reasonable grounds to suspect that there is a serious risk to the security, control, safety, care or welfare of a prisoner or detainee, or that a person is being subject to cruel, inhuman or degrading treatment.

The effect of the notice is that the Department must show cause why the matter should not be referred to the Minister. This power came into force on 18 January 2012.

Ideally, communication between the Inspector, the Department, and the Minister will be such that matters of risk can be raised and responded to without the need for a show cause notice. This year, a show cause notice was issued following the inspection of the Intensive Support Unit (ISU) at Banksia Hill Detention Centre.

After considering the preliminary findings of this inspection, the Inspector formed a reasonable suspicion that:

1. There was a serious risk to the care or welfare of detainees held in the ISU at Banksia Hill.
2. That detainees were being subjected to cruel, inhuman or degrading treatment in the ISU at Banksia Hill.

It was also noted that many of the same factors affecting service delivery at the centre were similar to those that existed prior to the January 2013 riot, and the significant disturbances on 4 and 5 May 2017.

As a result, on 17 December 2021, the Inspector provided a copy of a preliminary draft inspection report to the Department and issued the Director General a 'Show Cause Notice' (the Notice) under s. 33A of the Act.

The Notice highlighted the Inspector's concerns and provided the Department an opportunity to provide a formal response.

THE DEPARTMENT'S RESPONSE TO THE NOTICE

In response to the Notice and our preliminary draft inspection report, the Department provided a detailed submission outlining plans to address the concerns raised. This included providing longer term plans for the centre generally, and the ISU specifically. Some of the proposed changes and infrastructure upgrades followed recommendations made by OICS in previous inspection reports. Other proposed upgrades continued the project of target hardening the centre that has been ongoing since the 2013 riot. The submission also highlighted measures the Department was taking to address custodial staff shortages, high attrition rates, and high numbers of workers' compensation claims at Banksia Hill. It also identified work being undertaken to reset the centre's operating philosophy and model of care.

The Department's response recognised the importance of providing as much productive out of cell time for detainees as possible, beyond the minimum statutory entitlements. The Department anticipated that increased staff numbers, infrastructure changes and upgrades, and the provision of greater supports to reduce stress and the number of critical incidents, would assist in facilitating more meaningful time out of cell. However, specific details of the additional supports being proposed were not included in the response.

The Department also reaffirmed their support for legislative amendments to the confinement provisions under the Young Offenders Act and Young Offenders Regulations, as per our previous recommendations.

THE MATTER WAS REFERRED TO THE MINISTER

Following consideration of the Department's response, the Inspector referred the matter to the Minister in accordance with Section 33A (7) of the Act. The Inspector advised the Minister that the plans outlined in the Department's submission were supported.

However, the Inspector concluded that there was an overreliance on security mechanisms, physical and personnel, to address the concerns highlighted in the preliminary draft inspection report. There appeared to be a limited focus on the social, emotional, and welfare needs of the young people despite the Department's referral to their trauma informed model of care. For example, in reflecting on time out of cell, the Department concentrated on the physical amount of time a young person was spending out of cell rather than whether that time was meaningful, and socially and emotionally enriching.

The Inspector advised the Minister that an appropriate balance between security and welfare responses was required to be achieved. While the safety of staff and detainees was paramount, there were opportunities to considerably improve the Department's welfare response at Banksia Hill. This could include supplementing the custodial workforce with a non-custodial service provider to assist the facility in meeting the minimum statutory entitlements of the young people detained.

TERRORISM (PREVENTIVE DETENTION) ACT 2006

Under the *Terrorism (Preventative Detention) Act 2006* the Inspector is required to be notified if any person is detained under this Act, and the Inspector may review the conditions of detention. This year, no notifications under this Act were received.

DISCLOSURE OF INFORMATION

We regularly receive letters and telephone calls about prisons and prison services from people in custody, relatives and friends of people in custody, lawyers and other interested parties. Under Section 26 of the Act we may only deal with a complaint or a grievance received by referring it to another agency or dealing with it in an inspection or review.

PART TWO

SOURCE REFERENCE

FMA s 61 HON BILL JOHNSTON, MLA
TI 902 MINISTER FOR CORRECTIVE SERVICES

In accordance with section 61 of the *Financial Management Act 2006*, I hereby submit for your information the Annual Report of the Office of the Inspector of Custodial Services for the reporting period ending 30 June 2022.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and the *Inspector of Custodial Services Act 2003*.



Eamon Ryan
Inspector of Custodial Services
29 September 2022

Contact Details

Postal

Level 5
Albert Facey House
469 Wellington Street
PERTH WA 6000
WHADJUK NOONGAR BOODJA

Electronic

Website: www.oics.wa.gov.au
Email: corporate@oics.wa.gov.au
Telephone: +61 8 6551 4200

OPERATIONAL STRUCTURE

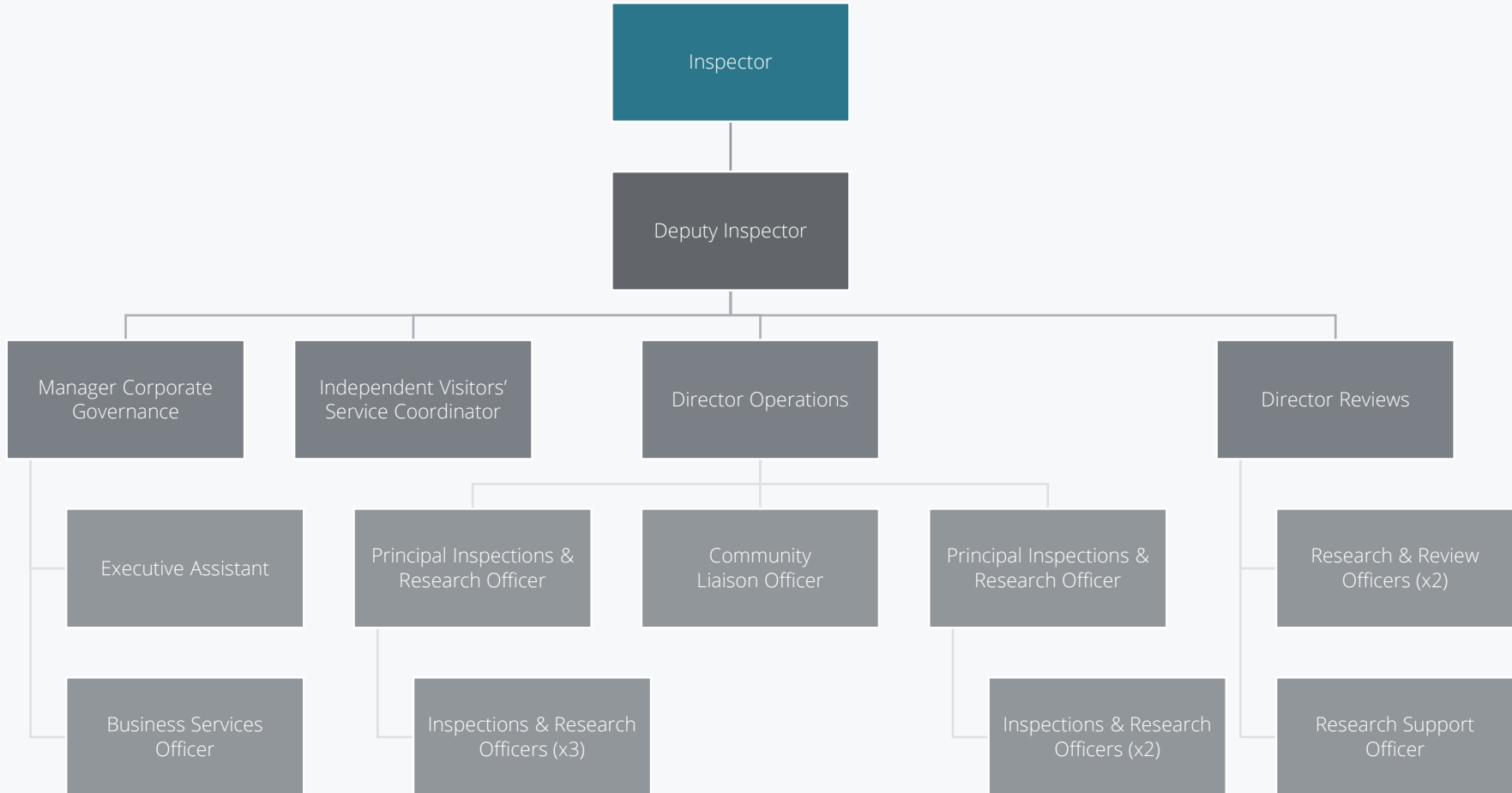
ENABLING LEGISLATION

The Office was established as a department under the *Public Sector Management Act 1994*, on 1 June 2000.

RESPONSIBLE MINISTER

The Hon Bill Johnston, MLA, Minister for Corrective Services.

ORGANISATIONAL CHART



SENIOR OFFICERS



INSPECTOR: EAMON RYAN

Mr Eamon Ryan was appointed as Inspector of Custodial Services on 4 May 2019, taking over from Mr Neil Morgan, who retired after 10 years in the role.

Before taking up this appointment, he was Executive Director Integrity and Risk at the Public Sector Commission and prior to that, Executive Director Professional Standards and Conduct at the Department of Education. Mr Ryan has a BA in Legal Studies and brings 30 years' experience in senior roles involving integrity, risk, governance and accountability.



DEPUTY INSPECTOR: DARIAN FERGUSON

Before taking up the appointment, Mr Ferguson was Director Human Resources at the Department of Justice.

Prior to that, he held the position of Director Human Resources at the WA Police Force for some nine years. Mr Ferguson has a Bachelor of Business and Graduate Certificate in Public Sector Management. He brings with him a wealth of experience across the public sector along with significant experience at senior levels.

ADMINISTERED LEGISLATION

The Office is the administering agency for the *Inspector of Custodial Services Act 2003*.

The Office is exempt from the *Freedom of Information Act 1992* and the *Parliamentary Commissioner Act 1971*.

OTHER KEY LEGISLATION IMPACTING ON THE OFFICE'S ACTIVITIES

In the performance of its functions, the Office complies with the following relevant written laws:

Constitution Act 1889

Constitution Acts Amendment Act 1899

Corruption, Crime and Misconduct Act 2003

Court Security and Custodial Services Act 1999

Disability Services Act 1993

Equal Opportunity Act 1984

Electronic Transactions Act 2011

Evidence Act 1906

Financial Management Act 2006

Fines, Penalties and Infringement Notices Enforcement Act 1994

Industrial Relations Act 1979

Interpretation Act 1984

Legal Deposit Act 2012

Occupational Safety and Health Act 1984

Prisons Act 1981

Procurement Act 2020

Public Interest Disclosure Act 2003

Public Sector Management Act 1994

State Supply Commission Act 1991

Racial Discrimination Act 1975

State Records Act 2000

State Records (Consequential Provisions) Act 2000

Terrorism (Preventative Detention) Act 2006

Work Health and Safety Act 2020

Young Offenders Act 1994

In the financial administration of the Office, we have complied with the requirements of the *Financial Management Act 2006* and every other relevant written law. We have exercised controls which provide confidence that the receipt and expenditure of money and the acquisition and disposal of public property are in accordance with legislative provisions.

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

OTHER FINANCIAL DISCLOSURES

Source reference

Employment and Industrial Relations

STAFF PROFILE

	2020-21	2021-22
Full-time permanent	12	12
Full-time contract	0	1
Part-time measured on an FTE basis	3.2	4
Part-time contract	1.2	0
	16.4	17*

The Office has 19 staff across all organisational roles. Accounting for part-time positions this equates to 17FTE.

STAFF DEVELOPMENT

The Office is committed to developing its employees. Our strategy is to maintain a highly skilled and professional workforce. Staff attended courses, workshops and conferences including Leading Work, Health and Safety for Supervisors and Managers, Writing Plain English, On-line Records Management Basics Training and on-line Cultural Inclusion training. Staff also completed personality surveys and attended one-on-one feedback and workshops. The Inspectorate employs a Certified Practising Accountant (CPA) who maintains and broadens his knowledge by attending continuing professional development activities in accordance with the CPA constitution, by-laws and continuing professional development obligations.

WORKERS' COMPENSATION

There were no workers' compensation claims recorded during the financial year.

INTERNAL AUDIT AND RISK COMMITTEE

Our Internal Audit and Risk Committee has an independent Chairperson and one other independent member. Both have relevant qualifications and professional experience. The committee meets three to four times each year and the Chairperson debriefs with the Inspector following each meeting.

GOVERNANCE DISCLOSURES

Source reference

TI 903 **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 interest had any interests in existing or proposed contracts with the Office and senior officers.

OTHER LEGAL REQUIREMENTS

Source reference

Public Sector Management Act (1994) Compliance with *Public Sector Management Act (1994)*, Section 31(1)

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 our Code of Conduct.
2. I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made in 1 above is correct.
3. The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number lodged: 0
Number of breaches found, including details of multiple breaches per application: 0
Number still under review: 0



Eamon Ryan
Inspector of Custodial Services
29 September 2022

TI 903

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.

Details 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

DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

(Disability Services Act 1993, section 29)

The *Disability Services Act 1993* requires public agencies to develop and implement Disability Access and Inclusion Plans (DAIPs).

This Office has an approved Disability Access and Inclusion Plan from 25 November 2019 to 30 November 2024. This plan helps us to ensure people with disability have the same opportunities as others to communicate with us, access information written by us and access employment in this Office.

RECORDKEEPING PLAN

(State Records Act 2000, section 16)

The Office's Recordkeeping Plan was approved for five years by the State Records Commission on 7 August 2020 and expires on 6 August 2025.

The Office uses a tailor-made on-line records management and awareness training package for new employees during induction and for existing staff as a refresher. We have customised the content of this course to link to our Recordkeeping Plan and our Records Management Policies and Guidelines.

We plan to engage an expert in the next financial year to conduct a full review and advise on the next revision of our Records Retention and Disposal Schedule, our policies and guidelines and filing of electronic documents.

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

The Office recognises the importance of avoiding hazards by providing a safe, healthy and injury-free work environment. We promote education and awareness in occupational safety, health and injury management. The Office has recorded no work-related injury or illness over the last three years.

The Office has a trained safety representative and management officer who ensures there is always an open line of communication with staff to discuss occupational safety, health and injury matters.

The Office remains vigilant in ensuring the safety and wellbeing of staff during the threat of COVID-19. Staff continue to be updated with information on how to ensure their safety, including wearing face masks and exercising personal hygiene precautions while visiting custodial facilities. Hand sanitising stations were placed in the office to ensure all staff are within close proximity of an alcohol-based hand wash. We ensured staff who were ill from COVID-19 symptoms or designated close contacts did not present for work. We also changed the way we worked by facilitating working from home arrangements and implemented the Microsoft Teams platform so that staff could join meetings.

The Office endeavours to comply with all the requirements of the *Workers' Compensation and Injury Management Act 1981* by exercising good judgment and following safe practices in the Office and while on location.

On commencement and prior to entering a custodial facility, staff receive an induction to ensure they can operate in a safe and secure manner. Further, our staff always work in pairs when in a custodial facility.

All members of the Senior Management Team have attended Work Health and Safety training and occupational safety and welfare is a standing agenda item for Senior Management Team meetings.

During the year, the Office has developed a leadership commitment to a safe and healthy workplace in line with the Government's vision for the sector. The commitment has been posted on the Department of Mines, Industry, Regulation and Safety website. The Office also participated in the inter-agency Community of Practice for Work Health, Safety and Injury Management in the Public Sector which encourages agencies to work together by sharing their vision for workplace health, safety and injury management.

ANNUAL PERFORMANCE

MEASURES	2019-20	2020-21	2021-22	TARGETS	COMMENTS TOWARDS TARGETS
Number of fatalities	0	0	0	0	Achieved
Lost time injury and disease incident rate	0	0	0	0 or 10 per cent reduction in incidence rate	Achieved
Lost time injury and severity rate	0	0	0	0 or 10 per cent reduction in severity rate	Achieved
Percentage of injured workers returned to work within 13 weeks.	NA	NA	NA	Greater than or equal to 80 per cent returned to work within 26 weeks.	Achieved
Percentage of injured workers returned to work within 26 weeks	NA	NA	NA	Greater than or equal to 80 per cent returned to work within 26 weeks.	Achieved
Percentage of managers trained in occupational safety health and injury management responsibilities including refresher training within three years.	80	80	100	Greater than or equal to 80 per cent.	Achieved

SUSTAINABILITY ACTION PLAN

The Office is committed to environmental sustainability and demonstrates this through a Sustainability Action Plan. We support limiting our carbon footprint through the following means:

- reducing the number of reports printed in hard copy
- using recycled paper for photocopying and printing
- using recycled printer and toner cartridges
- using sensor lighting in all work areas including meeting rooms
- sending supplier remittance advices by email instead of by post
- using an on-line paperless timesheet system
- receiving electronic bank statements and direct deposit advices
- using paperless expense management system including scanned receipts
- using degradable bin liners
- ordering a replacement vehicle with Hybrid technology
- collecting and separating soft clean plastics from our waste
- collecting and separating small hard plastic items (for example, bottle lids)
- collecting and cutting bottle rings for bird life conservation
- collecting and returning used batteries
- using co-mingled recycling services.

PART THREE



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022

Office of the Inspector of Custodial Services

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Office of the Inspector of Custodial Services (Office) which comprise:

- the Statement of Financial Position at 30 June 2022 and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Summary of Consolidated Account Appropriations for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Office of the Inspector of Custodial Services for the year ended 30 June 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Inspector of Custodial Services for the financial statements

The Inspector of Custodial Services is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Page 1 of 5

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

In preparing the financial statements, the Inspector of Custodial Services is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Office.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Office of the Inspector of Custodial Services. The controls exercised by the Inspector of Custodial Services are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Office of the Inspector of Custodial Services are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2022.

The Inspector of Custodial Services's responsibilities

The Inspector of Custodial Services is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Page 2 of 5



Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Office of the Inspector of Custodial Services for the year ended 30 June 2022. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Office of the Inspector of Custodial Services are relevant and appropriate to assist users to assess the Office's performance and fairly represent indicated performance for the year ended 30 June 2022.

The Inspector of Custodial Services's responsibilities for the key performance indicators

The Inspector of Custodial Services is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such internal control as the Inspector of Custodial Services determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Inspector of Custodial Services is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My independence and quality control relating to the reports on controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Inspector of Custodial Services is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Office of the Inspector of Custodial Services for the year ended 30 June 2022 included in the annual report on the Office's website. The Office's management is responsible for the integrity of the Office's website. This audit does not provide assurance on the integrity of the Office's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements, and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.

Mark Ambrose

Mark Ambrose
Senior Director – Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
30 September 2022

PERFORMANCE MANAGEMENT FRAMEWORK

KEY PERFORMANCE INDICATORS

Certification of Key Performance Indicators

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 for the reporting period ended 30 June 2022.



Eamon Ryan
29 September 2022

Shared responsibilities with other agencies

The Office did not deliver services jointly with any other agency in 2021/22.

Detailed Information in Support of Key Performance Indicators

The *Inspector of Custodial Services Act 2003* sets out the functions of the Office. These functions are directly related to the Office's outcomes, services and key performance information, which in turn, are linked to the Government's goal of Community Safety.

The Office reports to two Parliamentary Committees; the Legislative Assembly Community Development and Justice Committee, and the Legislative Council Public Administration Committee. Other committees and individual parliamentarians receive briefings as requested.

Measuring Performance

Government Goal

Safe, Strong and Fair Communities: Developing healthy and resilient communities

Desired Outcome

The Parliament, Minister and other stakeholders are informed on the performance of custodial services.

Service

Inspection and review of custodial services



Mission

Our mission is to establish and maintain an independent, expert and fair inspection service to provide Parliament, the Minister, stakeholders, the media and the general public with up-to-date information and analysis about prison and detention centre operations and custodial services, so that debate and discussion may be enhanced as to whether and to what extent the key objectives of these activities are being achieved.

We aim to:

- improve public confidence in the justice custodial system
- reduce reoffending
- facilitate better value for money from the justice custodial system.

1.0 KEY EFFECTIVENESS INDICATORS

The extent to which the Department of Justice and, where relevant, other agencies accept recommendations contained in reports.

1.1 The number of recommendations made

1.2 The percentage of recommendations accepted

Key Effectiveness Indicator	1.1 Number of recommendations made		1.2 Percentage of recommendations accepted	
	Target	Actual	Target	Actual
2018-19	150	102	80%	80%
2019-20	100	57	80%	77%
2020-21	100	91	80%	87%
2021-22	100	130	80%	70%

1.1 Number of recommendations made

The number of recommendations is above target. The Office tabled eleven reports, two more than this year's target. This was a result of one additional inspection (see Report 141), and cyclical variations arising from the mandated three-year cycle of inspections.

This KPI represents the number of recommendations made in inspection and review reports tabled during the year. The number of recommendations generated depends upon a range of subjective factors that exist within the prisons and detention centre at the time of inspection or review. It is not unusual to make more recommendations in larger and more complex facilities because there are more issues to address.



1.2 Percentage of recommendations accepted

This KPI measures the extent to which the Department and other agencies accept recommendations contained in our reports that were tabled during the year. The acceptance of the recommendations indicate that efforts have been made by the Department in considering our recommendations and how they will be implemented.

Overall 70 per cent of recommendations were accepted. This year the Department and the Office signed a revised Memorandum of Understanding in March 2022 which included an additional response to recommendations of 'noted'. For a short period, the 'noted' category was not used correctly by the Department, but this has been clarified.

39 of the 130 recommendations were not supported (17) or noted (22). The other recommendations were either supported, supported as an existing initiative or partially supported.

Supported as an existing initiative refers to those recommendations where the Department:

1. has already identified, and action was underway prior to the inspection to address the recommendation.
2. provided details of actions taken later. In some instances, this is the result of the Department acting on an issue pointed out during or immediately following an inspection. By the time the inspection report has been finalised the Department has rightly credited its actions in meeting the recommendation.
3. has already got something in place but requires further development.

2.0 KEY EFFICIENCY INDICATORS

Key Efficiency Indicators:	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Target 2021/22
Reports	10	8	8	11	9
2.1 Average cost per Report ¹ (\$)	301,277	323,414	341,243	265,862	245,000
Liaison visits	70	63	64	55	60
2.2 Average cost per liaison visit (\$)	10,026	8,706	8,437	10,429	10,000
Independent visitors' service report	125	99	97	142	150
2.3 Average cost per independent visitors' service report (\$)	1,984	2,453	2,986	1,714	2,000



¹ The time allocated is based on an overall estimate of the time staff spend on each activity rather than detailed time keeping of every task undertaken. We believe this is a fair representation for the purpose of these key performance indicators.

² The average time taken from the start of an inspection to the production and lodgement of a report in Parliament is between six and nine months depending upon the complexity of the facility or service.

2.1 Average cost per report

The number of reports is two above target. There was one additional inspection undertaken (see Report 141), and an additional cyclical inspection report was tabled this year. Consequently, the average actual cost per report is lower than previous years. The Inspection Team operates on a mandated three-year cycle where each prison, youth detention centre, court custody centre and prescribed lockup is required to be subjected to a full inspection. This means that some years produce more inspection reports than others. The Review Team produced reports but is not subject to a mandated review cycle. This year the Review Team was fully staffed and produced four reports, two more than last year.

2.2 Average cost per liaison visit

The number of liaison visit reports is slightly below target this year. The average cost per liaison visit is therefore higher than the estimate because the fixed cost allocation remains the same regardless of the number of visits. The target of 60 liaison visit reports is based on risk with a minimum of four visits occurring at the large and complex facilities (Hakea, Casuarina, Bandyup and Banksia Hill) and three visits occurring at the remaining prisons. Each work camp and court custody centre receive at least one visit between the three-year inspections.

2.3 Average cost per independent visitor's service report

Despite a 46 per cent increase compared to last year, the number of independent visit (IV) reports is slightly below target because of COVID-19 restrictions earlier in the year impacting entry to custodial facilities. The average cost per Independent Visitor Report is less than target because a dedicated Independent Visitor Coordinator (L4) is now responsible for recruiting, inducting new volunteers and supporting the IV service. This has improved efficiency and reduced the overall costs. The target of 150 independent visitor reports is based on each prison (17) and detention centre receiving 8 to 9 visits annually.



Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements for the Reporting Period ended 30 June 2022

The accompanying financial statements of the Office of the Inspector of Custodial Services have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2022 and the financial position as at 30 June 2022.

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


D Summers
Chief Finance Officer


E Ryan
Accountable Authority



Financial Statements for the year ended 30 June 2022

The Office has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2022 which provides users with the information about the Office's stewardship of resource entrusted to it. The financial information is presented in the following structure.

Index	Page
Financial statements	
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	
1. Basis of preparation	7
Statement of compliance	7
Basis of preparation	7
Accounting for goods and services tax (GST)	7
Judgements and estimates	8
Contributed equity	8
2. Use of our funding	9
Expenses incurred in the delivery of services	9
2.1 (a) Employee benefits expenses	9
2.1 (b) Employee related provisions	10
2.2 Other expenditure	12
3. Our funding sources	14
How we obtain our funding	14
3.1 Income from State Government	14
3.2 Other revenue	15
4. Key assets	16
Assets the Office utilises for economic benefit or service potential	16
4.1 Right-of-use assets	16
5. Other assets and liabilities	18
5.1 Receivables	18
5.2 Amounts receivable for services (holding account)	18
5.3 Other current assets	19
5.4 Payables	19
6. Financing	20
6.1 Lease liabilities	20
6.2 Assets pledged as security	21
6.3 Finance costs	21
6.4 Cash and cash equivalents	22
7. Financial Instruments and contingencies	23
7.1 Financial instruments	23
7.2 Contingent assets and liabilities	23
8. Other disclosures	24
8.1 Events occurring after the end of the reporting period	24
8.2 Key management personnel	24
8.3 Related party transactions	25
8.4 Remuneration of auditors	25
8.5 Equity	26
8.6 Supplementary financial information	26
8.7 Explanatory statement	27
8.7.1 Statement of comprehensive income variances	27
8.7.2 Statement of financial position variances	29
8.7.3 Statement of cash flows variances	31

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
Cost of Services			
Expenses			
Employee benefits expenses	2.1	2,426,853	2,373,198
Supplies and services	2.2	914,787	821,988
Depreciation and impairment expense	4.1	8,750	8,720
Accommodation expenses	2.2	318,796	312,318
Finance costs	6.3	362	422
Other expenses	2.2	67,008	47,982
Total Cost of Services		3,736,556	3,564,628
Income			
Revenue			
Other revenue	3.2	4,927	5,037
Total Income		4,927	5,037
NET COST OF SERVICES		3,731,629	3,559,591
Income from State Government			
Service appropriation	3.1	3,602,000	3,522,000
Resources received	3.1	72,724	90,348
Total Income from State Government		3,674,724	3,612,348
(DEFICIT)/SURPLUS FOR THE PERIOD		(56,905)	52,757
OTHER COMPREHENSIVE INCOME			
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(56,905)	52,757

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6.4	418,801	452,243
Receivables	5.1	39,524	34,602
Other current assets	5.3	43,545	27,392
Total Current Assets		501,870	514,237
Non-Current Assets			
Restricted cash and cash equivalents	6.4	48,000	22,000
Amounts receivable for services	5.2	885,000	641,000
Right-of-use assets	4.1	6,746	14,410
Total Non-Current Assets		939,746	677,410
TOTAL ASSETS		1,441,616	1,191,647
LIABILITIES			
Current Liabilities			
Payables	5.4	150,170	142,791
Employee related provisions	2.1(b)	607,895	569,208
Lease liabilities	6.1	4,625	7,761
Total Current Liabilities		762,690	719,760
Non-Current Liabilities			
Employee related provisions	2.1(b)	104,875	72,379
Lease liabilities	6.1	2,351	6,903
Total Non-Current Liabilities		107,226	79,282
TOTAL LIABILITIES		869,916	799,042
NET ASSETS		571,700	392,605
EQUITY			
Contributed equity	8.5	964,000	728,000
Accumulated deficit	8.5	(392,300)	(335,395)
TOTAL EQUITY		571,700	392,605

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



OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Contributed Equity \$	Accumulated Surplus/ (Deficit) \$	Total Equity/ (Deficit) \$
Balance at 1 July 2020		501,000	(388,152)	112,848
Surplus		-	52,757	52,757
Total comprehensive income for the period		-	52,757	52,757
Transactions with owners in their capacity as owners:				
- Capital contributions	8.5	227,000	-	227,000
Total		227,000	-	227,000
Balance at 30 June 2021		728,000	(335,395)	392,605
Balance at 1 July 2021		728,000	(335,395)	392,605
Deficit		-	(56,905)	(56,905)
Total comprehensive income for the period		-	(56,905)	(56,905)
Transactions with owners in their capacity as owners:				
- Capital contributions	8.5	236,000	-	236,000
Total		236,000	-	236,000
Balance at 30 June 2022		964,000	(392,300)	571,700

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.



OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations		3,358,000	3,278,000
Capital contributions		236,000	227,000
Net cash provided by State Government		3,594,000	3,505,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(2,337,292)	(2,287,925)
Supplies and services		(865,566)	(729,983)
Accommodation		(319,340)	(342,435)
Finance costs		(362)	(422)
Other payments		(68,104)	(47,983)
GST payments on purchases		(133,630)	(114,973)
Receipts			
GST receipts on sales		619	679
GST receipts from taxation authority		124,954	104,459
Other receipts		4,967	5,297
Net cash used in operating activities		(3,593,754)	(3,413,286)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(7,688)	(8,735)
Net cash used in financing activities		(7,688)	(8,735)
Net increase in cash and cash equivalents		(7,442)	82,979
Cash and cash equivalents at the beginning of the period		474,243	391,264
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.4	466,801	474,243

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



OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

The Office is a WA Government entity controlled by the State of Western Australia, the ultimate parent. The Office is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the "Overview", which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Office on 29 September 2022.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The Treasurer's Instructions (TIs)
- 3) Australian Accounting Standards (AASs) - Simplified Disclosure
- 4) Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

The FMA and the TIs take precedence over AASs. The TIs modify several AASs to vary application, disclosure format and wording. Where a modification is required, and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case, the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the Office as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and,
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities that are recoverable from or payable to the ATO are classified as operating cash flows.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PREPARATION (Continued)

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are reported in the notes, where the amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated as contributions by owners (at the time of, or before, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. USE OF OUR FUNDING

Expenses incurred in the delivery of services

This section provides additional information about how the Office's funding is applied and the relevant accounting policies to understand the items recognised in the financial statements. The primary expenses incurred by the Office in achieving its objectives and the related notes are:

	Notes	2022 \$	2021 \$
Employee benefits expenses	2.1(a)	2,426,853	2,373,198
Employee related provisions	2.1(b)	712,770	641,587
Other expenditure	2.2	1,300,591	1,182,288
2.1 (a) Employee benefits expenses			
Employee benefits		2,165,109	2,143,982
Superannuation – defined contribution plans		214,542	203,155
Other related expenses		47,202	26,061
Total employee benefits expenses		2,426,853	2,373,198
Add:			
- AASB 16 Non-monetary benefits		8,750	8,921
Less:			
- Employee contributions		(4,927)	(4,727)
Net employee benefits		2,430,676	2,377,392

Employee benefits

Include wages, salaries and social contributions, accrued and paid leave entitlements, paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as medical care, housing, cars and free or subsidised goods or services) for employees.

Superannuation

The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds.

AASB 16 Non-monetary benefits

Non-monetary employee benefits are expenses that predominantly relate to the provision of vehicles recognised under AASB 16 and excluded from the employee benefits expense.

Employee contributions

Contributions made to the Office by employees toward employee benefits that the Office has provided. This includes both AASB 16 and non-AASB 16 employee contributions.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2.1 (b) Employee related provisions

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the services' delivery period.

	2022 \$	2021 \$
Current		
<u>Employee Benefits Provisions</u>		
Annual leave	257,362	227,652
Long service leave	347,509	338,724
	604,871	566,376
<u>Other Provisions</u>		
Employment on-costs	3,024	2,832
Total current employee related provisions	607,895	569,208
Non-Current		
<u>Employee Benefits Provisions</u>		
Long service leave	104,353	72,019
<u>Other Provisions</u>		
Employment on-costs	522	360
Total non-current employee-related provisions	104,875	72,379
Total employee-related provisions	712,770	641,587

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2.1 (b) Employee-related provisions (Continued)

(a) Annual leave liabilities

Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made for services provided by employees up to the reporting date.

(b) Long service leave liabilities

Unconditional long service leave provisions are classified as current liabilities as the Office does not have an unconditional right to defer liability settlement for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Office has an unconditional right to defer liability settlement until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Office does not expect to settle the amounts wholly within 12 months. The present value is measured considering the present value of expected future payments for services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and discounted using market yields at the end of the reporting period on national Government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(c) Employment on-costs

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs, including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of "other" in supplies and services under "Other Expenses", Note 2.2 (apart from the unwinding of the discount (finance cost) and are not included as part of the Office's "employee benefits expenses". The related liability is included in the employment on-costs provision.

	2022 \$	2021 \$
- Employment On-Costs Provision		
Carrying amount at start of period	3,192	2,863
Additional/(reversal of) provisions recognised	354	329
Unwinding of the discount	-	-
Carrying amount at end of period	3,546	3,192

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2.1 (b) Employee related provisions (Continued)

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that significantly risk causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Office's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact the carrying amount of the long service leave provision. Any gain or loss following the revaluation of the present value of long service leave liabilities is recognised as an employee benefits expense.

	2022 \$	2021 \$
2.2 Other expenditure		
<u>Supplies and services</u>		
Communications	31,373	50,475
Consultants and contractors (a)	615,695	508,329
Consumables	49,341	61,337
Materials	58,687	49,690
Lease, rent and hire costs	22,738	28,149
Travel	88,143	69,137
Other	48,810	54,871
Total supplies and services expenses	914,787	821,988
(a) Consultants and contractors consist of:		
Computing and IT services	237,362	261,626
Temporary personnel	144,072	19,169
Professional services finance	77,465	73,053
Professional services other	110,863	110,354
Other	45,933	44,127
Total consultants and contractors	615,695	508,329

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2.2 Other expenditure (Continued)	2022 \$	2021 \$
<u>Accommodation expenses</u>		
Rentals	318,796	312,318
Total accommodation expenses	318,796	312,318
<u>Other expenses</u>		
Audit fees (a)	67,008	47,982
Total other expenses	67,008	47,982
Total other expenditure	1,300,591	1,182,288

(a) The cost represents internal and external audit fees.

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of materials held for distribution are expensed when the materials are distributed.

Office rental

Office rental is expensed as incurred because the Memorandum of Understanding and Agreement between the Office and the Department of Finance for the leasing office accommodation contains significant substitution rights.

Repairs, maintenance and cleaning costs

Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

Employment on-costs

Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with recognising annual and long service leave liabilities is included in note 2.1, "Employee Related Provisions". Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Other Supplies and Services

Other supplies and services generally represent the day-to-day running costs incurred in normal operations.

Lease Rent and Hire Costs

Lease rent and hire costs include:

1. Short-term leases with a lease term of 12 months or less;
2. Low-value leases with an underlying value of \$5,000 or less.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

3. OUR FUNDING SOURCES

How we obtain our funding

This section provides additional information about how the Office obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Office and the relevant notes are:

	Notes	2022 \$	2021 \$
Income from State Government	3.1	3,674,724	3,612,348
Other revenue	3.2	4,927	5,037

3.1 INCOME FROM STATE GOVERNMENT

Appropriation received during the period:

- Service appropriation	3,602,000	3,522,000
Total service appropriation	3,602,000	3,522,000

- Resources received free of charge from other Public Sector entities during the period

	72,724	90,348
Total resources received	72,724	90,348

Total income from State Government	3,674,724	3,612,348
------------------------------------	-----------	-----------

Service appropriations are recognised as income at the fair value of the consideration received in the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds when those funds are deposited in the bank account or credited to the holding account held at Treasury.

Resources received from other public sector entities are recognised as income equivalent to the fair value of the assets received, or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Summary of Consolidated Account Appropriations

	2022 Budget Estimate \$	2022 Supplementary Funding \$	2022 Revised Budget \$	2022 Actual \$	2022 Variance \$
Delivery of Services					
Item 107 net amount appropriated to deliver services	3,353,000	-	3,353,000	3,353,000	-
Amount Authorised by Other Statutes					
Salaries and allowances Act 1975	249,000	-	249,000	249,000	-
Total Appropriations Provided to Deliver Services	3,602,000	-	3,602,000	3,602,000	-
Capital					
Item 158 capital appropriations	236,000	-	236,000	236,000	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	3,838,000	-	3,838,000	3,838,000	-

3.2 OTHER REVENUE

	2022 \$	2021 \$
Employee contributions	4,927	4,727
Sundry	-	310
	<u>4,927</u>	<u>5,037</u>

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

4. KEY ASSETS

Assets the Office utilises for economic benefit or service potential

This section includes information regarding the key assets the Office utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2022 \$	2021 \$
Right-of-use assets	4.1	6,746	14,410
Total key assets		<u>6,746</u>	<u>14,410</u>

4.1 RIGHT-OF-USE-ASSETS

<u>Right-of-use assets</u>	Vehicles	Vehicles
Carrying amount at beginning of period	14,410	23,130
Additions	1,086	-
Depreciation	<u>(8,750)</u>	<u>(8,720)</u>
Net carrying amount as at end of period	<u>6,746</u>	<u>14,410</u>

The Office has leases for vehicles and office accommodation. The lease contracts are for fixed periods of 1-5 years, with an option to renew the lease after that date.

The Office has also entered into a Memorandum of Understanding Agreement with the Department of Finance for leasing office accommodation. The lease is not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense incurred.

No right-of-use assets were added during the 2022 financial year (2021: \$Nil).

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

4.1 RIGHT-OF-USE-ASSETS (Continued)

At the commencement date of the lease, the Office recognises right-of-use assets and a corresponding lease liability for most leases.

Initial recognition

Right-of-use assets are measured at cost, including the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and,
- restoration costs, including dismantling and removing the underlying asset.

The Office has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low-value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Office at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified.

Impairment

Non-financial assets, including right-of-use assets, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired, written down to the recoverable amount, and an impairment loss is recognised.

An impairment loss is recognised through profit or loss when an asset is measured at cost and is written down to its recoverable amount.

The corresponding lease liabilities relating to these right-of-use assets have been disclosed in note 6.1.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

5. OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the Office's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2022 \$	2021 \$
Receivables	5.1	39,524	34,602
Amounts receivable for services	5.2	885,000	641,000
Other current assets	5.3	43,545	27,392
Payables	5.4	150,170	142,791

5.1 RECEIVABLES

Current

Trade Receivables	-	40
GST receivable	39,524	34,562
Total Current	39,524	34,602
Total receivables at the end of the period	39,524	34,602

Trade receivables are initially recognised at the transaction price for those receivables that contain a significant financing component at fair value. The Office holds the receivables intending to collect the contractual cash flows subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment.

5.2 AMOUNTS RECEIVABLE FOR SERVICES (HOLDING ACCOUNT)

Non-Current	885,000	641,000
Total Amounts receivable for services at end of period	885,000	641,000

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted because it can only be used for asset replacement or payment of leave liability.

The amounts receivable for services are considered not impaired. There is no expected credit loss of the holding account

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
5.3 OTHER CURRENT ASSETS		
Prepayments	43,545	27,392
Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.		
5.4 PAYABLES		
Trade payables	38,931	60,513
Accrued expenses	65,264	45,695
Accrued salaries	40,000	32,000
FBT payable	5,975	4,583
Total payables at end of period	150,170	142,791

Payables are recognised at the amounts payable when the Office becomes obliged to make future payments because of a purchase of assets or services. The carrying amount is equivalent to fair value, as the settlement is generally within 15-20 days.

Accrued expenses represent goods and services received at year-end, but the supplier has not provided any invoice. Also, the balance includes expenses related to the provision of services in the current year, such as annual audit fees.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Office considers the carrying amount of accrued salaries to be equivalent to its fair value.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

6. FINANCING

This section sets out the material balances and disclosures associated with the financing and cashflows of the Office.

	Notes	2022 \$	2021 \$
Lease liabilities	6.1		
Assets pledged as security	6.2		
Finance costs	6.3		
Cash and cash equivalents	6.4		
6.1 LEASE LIABILITIES			
	Notes	2022 \$	2021 \$
No later than one year		4,625	7,761
Later than one year and no later than 5 years		2,351	6,903
Later than 5 years		-	-
		6,976	14,664
Current		4,625	7,761
Non-current		2,351	6,903
		6,976	14,664

Initial measurement

At the commencement date of the lease, the Office recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Office uses the incremental borrowing rate provided by Western Australian Treasury Corporation.

Lease payments included by the Office as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the Office exercising an option to terminate the lease.
- Periods covered by extension or termination options are only included in the lease term by the Office if the lease is reasonably certain to be extended (or not terminated).

The interest on the lease liability is recognised in profit or loss over the lease term to produce a constant periodic interest rate on the remaining liability balance of the liability for each period. Lease liabilities do not include future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

6.1 LEASE LIABILITIES (Continued)

Initial measurement (Continued)

Periods covered by extension or termination options are only included in the lease term by the Office if the lease is reasonably certain to be extended (or not terminated).

This section should be read in conjunction with note 4.1.

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications

6.2 ASSETS PLEDGED AS SECURITY

	2022 \$	2021 \$
The carrying amounts of non-current assets pledged as security are:		
Right-of-use asset vehicles	6,746	14,410
Total assets pledged as security	6,746	14,410

The Office has secured the right-of-use assets against the related lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

6.3 FINANCE COSTS

Lease interest expense	362	422
Total finance costs expensed	362	422

Finance costs include the interest component of lease liability repayments.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

6.4 CASH AND CASH EQUIVALENTS

	Notes	2022 \$	2021 \$
Cash and cash equivalents		418,801	452,243
Restricted cash and cash equivalents		48,000	22,000
Balance at end of period		466,801	474,243

Restricted cash and cash equivalents

Non-Current

Accrued salaries suspense account (a)		48,000	22,000
---------------------------------------	--	--------	--------

(a) These funds are held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. The account is classified as non-current for 10 out of 11 years. The next 27th pay will occur in 2028.

For the Statement of Cash Flows, cash and cash equivalents (and restricted cash and cash equivalents) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

The accrued salaries suspense account consists of amounts paid annually, from the Office's appropriations for salaries expenses, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the standard 26. No interest is received on this account.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

7. FINANCIAL INSTRUMENTS AND CONTINGENCIES

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

7.1 FINANCIAL INSTRUMENTS

	Notes	2022 \$	2021 \$
The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:			
<u>Financial assets</u>			
Cash and cash equivalents		466,801	474,243
Financial assets at amortised cost	(a)	885,000	641,040
Total financial assets		1,351,801	1,115,283
<u>Financial liabilities</u>			
Financial liabilities at amortised cost	(b)	151,172	152,872
Total financial liabilities		151,172	152,872

(a) The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(b) The amount of financial liabilities at amortised cost excludes FBT payable to the ATO (statutory payable).

7.2 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at best estimate.

Contingent assets and liabilities are presented, including GST receivable or payable.

There were no contingent liabilities or contingent assets as of 30 June 2022.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8. OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or other pronouncements to understand this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Key management personnel	8.2
Related party transactions	8.3
Remuneration of auditors	8.4
Equity	8.5
Supplementary financial information	8.6

8.1 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No events occurring after the reporting date impact the financial statements.

8.2 KEY MANAGEMENT PERSONNEL

The Office has determined that key management personnel include cabinet ministers and senior officers. However, the Office is not obligated to compensate the ministers. Therefore, no disclosure is required. The disclosures regarding Ministers' compensation may be found in the *Annual Report on State Finances*.

The total compensation, inclusive of fees, salaries, superannuation, non-monetary benefits and other benefits, of senior officers of the Office for the reporting period, is presented within the following bands:

Compensation Bands (\$)	2022	2021
200,001 - 210,000	-	-
210,001 - 220,000	1	1
290,001 - 300,000	-	1
300,001 - 310,000	1	-
Total compensation of senior officers	521,060	508,811

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8.3 RELATED PARTY TRANSACTIONS

The Office is a wholly owned public sector entity that the State of Western Australia controls.

Related parties of the Office include:

- all cabinet ministers and their close family members and their controlled or jointly controlled entities;
- all senior officers and their close family members and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies that are included in the whole of government, consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Material transactions with related parties

Outside of everyday citizen-type transactions with the Office, no other related party transactions involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.4 REMUNERATION OF AUDITORS

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2022 \$	2021 \$
Auditing the accounts, financial statements, controls and key performance indicators	39,300	38,020

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
8.5 EQUITY		
The Government holds the equity interest in the Office on behalf of the community. Equity represents the residual interest in the net assets of the Office.		
Contributed Equity		
Balance at start of period	728,000	501,000
<u>Contributions by owners</u>		
- Capital appropriation	236,000	227,000
Total contributions by owners	236,000	227,000
Balance at the end of period	964,000	728,000
Accumulated Deficit		
Balance at start of period	(335,395)	(388,152)
Surplus / (Deficit) for the period	(56,905)	52,757
Balance at end of period	(392,300)	(335,395)
Total Equity at End of Period	571,700	392,605

8.6 SUPPLEMENTARY FINANCIAL INFORMATION

The Office did not have any bad debts in the years ended 30 June 2022 and 2021. Furthermore, the Office had no write-offs of public property, no losses through theft or default, and no gifts of public property made or received in 2022 and 2021.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8.7 EXPLANATORY STATEMENT

This explanatory section explains variations in the financial performance of the Office undertaking transactions under its control, as represented by the primary financial statements.

All variances between estimates (original budget) and actual results for 2022 and between the actual results for 2022 and 2021 are shown below.

Narratives are provided for key major variances, which vary more than 10% from their comparative, and the variation is more than 1% on the:

- Total cost of services for the previous year for the Statement of Comprehensive Income and Statement of Cash Flows; and,
- Total assets for the previous year for the Statement of Financial Position.

8.7.1 Statement of Comprehensive Income Variances

	Estimate 2022 \$	Actual 2022 \$	Actual 2021 \$	Variance Between Actual And Estimate \$	Variance Between Actual Results for 2022 and 2021 \$
Employee benefits expense	2,465,000	2,426,853	2,373,198	(38,147)	53,655
Supplies and services (a),(1)	525,000	914,787	821,988	389,787	92,799
Depreciation and impairment expense (b)	244,000	8,750	8,720	(235,250)	30
Accommodation expenses (b)	88,000	318,796	312,318	230,796	6,478
Finance costs	14,000	362	422	(13,638)	(60)
Other expenses (a)	353,000	67,008	47,982	(285,992)	19,026
Total Cost of Services	3,689,000	3,736,556	3,564,628	47,556	171,928
Income					
<i>Revenue</i>					
Other revenue	5,000	4,927	5,037	(73)	(110)
Total Income	5,000	4,927	5,037	(73)	(110)
Total income other than income from State Government	5,000	4,927	5,037	(73)	(110)
NET COST OF SERVICES	3,684,000	3,731,629	3,559,591	47,629	172,038
Income from State Government					
Service appropriation	3,602,000	3,602,000	3,522,000	-	80,000
Resources received	88,000	72,724	90,348	(15,276)	(17,624)
Total Income from State Government	3,690,000	3,674,724	3,612,348	(15,276)	(62,376)
SURPLUS/(DEFICIT) FOR THE PERIOD	6,000	(56,905)	52,757	(62,905)	(109,662)
Total other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,000	(56,905)	52,757	(62,905)	(109,662)

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8.7 EXPLANATORY STATEMENT (Continued)

8.7.1 Statement of Comprehensive Income Variances (Continued)

Major Estimate and Actual (2022) Variance Narratives

- (a) The variances in supplies and services and other expenses are due to some expenses, which the Office classified as other expenses for budget purposes, classified as supplies and services for actual.
- (b) The variances in depreciation, impairment, and accommodation expenses are due to the Office's property lease classification. The budget assumed the property lease would be treated as an asset and depreciated under AASB 16. See note 4.1.

Major Actual (2022) and Comparative (2021) Variance Narratives

- (1) The Office incurred additional costs in 2022 to employ temporary personnel to deliver its services.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8.7 EXPLANATORY STATEMENT (Continued)

8.7.2 Statement of Financial Position Variances

	Estimate 2022 \$	Actual 2022 \$	Actual 2021 \$	Variance Between Actual And Estimate \$	Variance Between Actual Results for 2022 and 2021 \$
ASSETS					
Current Assets					
Cash and cash equivalents	321,000	418,801	452,243	97,801	(33,442)
Receivables	29,000	39,524	34,602	10,524	4,922
Amounts receivable for services	1,000	-	-	(1,000)	-
Other current assets	(a),(1)	27,000	43,545	27,392	16,545
Total Current Assets	378,000	501,870	514,237	123,870	(12,367)
Non-Current Assets					
Restricted cash and cash equivalents	22,000	48,000	22,000	26,000	26,000
Amounts receivable for services	923,000	885,000	641,000	(38,000)	244,000
Plant and equipment	21,000	-	-	(21,000)	-
Right-of-use assets	(b)	-	6,746	14,410	(7,664)
Total Non-Current Assets	966,000	939,746	677,410	(26,254)	262,336
TOTAL ASSETS	1,344,000	1,441,616	1,191,647	97,616	249,969
LIABILITIES					
Current Liabilities					
Payables	65,000	150,170	142,791	85,170	7,379
Employee related provisions	(c)	535,000	607,895	569,208	72,895
Other current liabilities	(d)	62,000	-	-	(62,000)
Lease liabilities		9,000	4,625	7,761	(4,375)
Total Current Liabilities	671,000	762,890	719,760	91,690	42,930
Non-Current Liabilities					
Employee related provisions	(c),(2)	64,000	104,875	72,379	40,875
Lease liabilities	(e)	21,000	2,351	6,903	(18,649)
Total Non-Current Liabilities	85,000	107,226	79,282	22,226	27,944
TOTAL LIABILITIES	756,000	869,916	799,042	113,916	70,874
NET ASSETS	588,000	571,700	392,605	(16,300)	179,095
EQUITY					
Contributed equity	964,000	964,000	728,000	-	236,000
Accumulated deficit	(376,000)	(392,300)	(335,395)	(16,300)	(56,905)
TOTAL EQUITY/(DEFICIT)	588,000	571,700	392,605	(16,300)	179,095

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8.7 EXPLANATORY STATEMENT (Continued)

8.7.2 Statement of Financial Position Variances (Continued)

Major Estimate and Actual (2022) Variance Narratives

- (a) The variance in other assets is due primarily to the receipt of training, and software licences, invoices for the 2022/23 financial year, which have been classified as prepayments in other assets.
- (b) The budget balance for "Plant and Equipment" should be offset and reclassified to "Right-of-Use Assets". The budget assumed that the Office's property lease would be classified as an asset along with two motor vehicle leases. See Note 4.1
- (c) Both annual leave and long service leave provisions increased this year relative to budget as employees elected not to take leave due to the effects of Covid-19.
- (d) The variance in other current liabilities is due primarily to some liabilities included in the other current liability estimate but included in payables for actual.
- (e) The budget estimates provided for a replacement leased motor vehicle. The Office continued to maintain the existing lease vehicle after its lease period.

Major Actual (2022) and Comparative (2021) Variance Narratives

- (1) The variance in other assets is due primarily to the receipt of training, and software licences, invoices for the 2022/23 financial year, which have been classified as prepayments in other assets.
- (2) Both annual and long service leave provisions have increased this year as employees elected not to take leave due to the effects of COVID-19.



OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8.7 EXPLANATORY STATEMENT (Continued)

8.7.3 Statement of Cash Flows Variances

	Estimate 2022 \$	Actual 2022 \$	Actual 2021 \$	Variance Between Actual And Estimate \$	Variance Between Actual Results for 2022 and 2021 \$
STATEMENT OF CASH FLOWS					
CASH FLOWS FROM STATE GOVERNMENT					
Service appropriations	3,338,000	3,358,000	3,278,000	20,000	80,000
Capital contributions	236,000	236,000	227,000	-	9,000
Net Cash Provided by State Government	3,574,000	3,594,000	3,505,000	20,000	89,000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee benefits	(2,465,000)	(2,337,292)	(2,287,925)	127,708	(49,367)
Supplies and services (a),(f)	(433,000)	(865,596)	(729,983)	(432,596)	(135,583)
Accommodation (b)	(89,000)	(319,340)	(342,435)	(231,340)	23,095
Other payments (a)	(354,000)	(68,104)	(47,983)	285,896	(20,121)
Finance cost	(14,000)	(382)	(422)	13,638	60
GST payments on purchases (c)	(42,000)	(133,630)	(114,973)	(91,630)	(18,657)
Receipts					
GST receipts on sales	-	619	679	619	(60)
GST receipts from taxation authority (c)	42,000	124,954	104,459	82,954	20,495
Other receipts	5,000	4,967	5,297	(33)	(330)
Net Cash Provided by/(Used in) Operating Activities	(3,349,000)	(3,593,754)	(3,413,286)	(244,754)	(180,468)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments					
Principal elements of lease payments(b)	(244,000)	(7,688)	(6,735)	236,312	1,047
Net Cash Provided by/(Used in) Financing Activities	(244,000)	(7,688)	(6,735)	236,312	1,047
Net increase/(decrease) in cash and cash equivalents	(19,000)	(7,442)	82,979	11,558	(90,421)
Cash and cash equivalents at the beginning of the period	362,000	474,243	391,264	112,243	82,979
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	343,000	466,801	474,243	123,801	(7,442)

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8.7 EXPLANATORY STATEMENT (Continued)

8.7.3 Statement of Cash Flows Variances (Continued)

Major Estimate and Actual (2022) Variance Narratives

- (a) The variances in supplies and services and other payments are due primarily to some payments included in other payments for the estimate but in supplies and services for the actual.
- (b) The variances in accommodation payments and principal elements of lease payments are due to the Office's property lease classification. The budget assumed the property lease would be treated as an asset under AASB 16 and the corresponding lease payments as a financing activity. See note 4.1.
- (c) The budget assumed GST payments and collections on just budgeted supplies and services.

Actual GST payments were made on supplies and services payments, accommodation payments, other payments and lease payments.

Major Actual (2022) and Comparative (2021) Variance Narratives

- (1) Supplies and services payments for 2022 include additional payments to employ temporary personnel to deliver its services.

INSPECTION OF PRISONS, COURT CUSTODY
CENTRES, PRESCRIBED LOCK-UPS, JUVENILE
DETENTION CENTRES, AND REVIEW OF
CUSTODIAL SERVICES IN WESTERN AUSTRALIA

Level 5, Albert Facey House
469 Wellington Street
PERTH WA 6000
WHADJUK NOONGAR BOODJA
Telephone: +61 8 6551 4200

www.oics.wa.gov.au



OFFICE OF THE INSPECTOR
OF CUSTODIAL SERVICES