

Independent oversight
that contributes to a
more accountable public
sector



OFFICE OF THE INSPECTOR
OF CUSTODIAL SERVICES

ANNUAL REPORT 2022-23



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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.

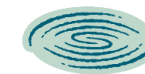
This report is available on the Office's website and will be made available, upon request, in alternative formats.

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 or present.

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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 2023

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 2023.

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
19 September 2023

INSPECTOR'S FOREWORD

Our work each year is not isolated to the city or the Perth metropolitan region. Our staff visit facilities located throughout Western Australia, including as far north as the court custody centre in Kununurra; the Warburton Work Camp to the east; and Albany Regional Prison to the south. This breadth of coverage is reflected in the diversity of reports we produce each year, many of which highlight different challenges and issues facing regional facilities that may be unique to their location. This has been another productive and busy year for our Office resulting in the publication of six inspection and three review reports. Both individually and collectively these reports provide transparency to a wide range of issues and concerns relevant to the custodial environment in Western Australia. Our published reports this year contained 91 recommendations for improvements with an acceptance rate of 78%.

We also undertook 78 liaison visits to facilities located across metropolitan Perth and throughout Western Australia. Our Independent Visitors undertook 163 visits to prisons and detention centres throughout Western Australia. We have Independent Visitors for most facilities, but we are always looking to engage interested community volunteers to join our service.

Another aspect of our work is community liaison and engagement, and this is an area where we are increasing our focus and attention. This year our work included hosting or participating in various forums with key stakeholders, including participation and engagement with community groups and events, public speaking and other media events, providing submissions, papers and evidence on key topics, and appearances at several commissions of enquiry, committees and tribunals.

A critical aspect of our work in this area is through our Community Liaison Officer engaging with families, community groups, local organisations and with people in custody during our onsite visits and inspections.

Our focus has remained on youth detention with the publication of Report 148 following our inspection of the Banksia Hill Detention Centre and the temporary detention facility at Unit 18 in Casuarina Prison. This report highlighted the impact of significant staffing shortages, failing infrastructure and young people in crisis. Our ongoing oversight in this area has continued to consume much of our time and resources throughout the year.

The negatives or criticisms in our reports often attract the most attention, but our reports also highlight examples of good practice and positive outcomes. For example, this year we published Report 147 covering our inspection of the Wandoo Rehabilitation Prison which highlighted the many positive impacts on the lives of the women who successfully complete the rehabilitation program. Another example is Report 144 on our inspection of Pardelup Prison Farm and the strong rehabilitation and reintegration opportunities offered to the men who are sent there for the last period of their sentence.

Our review reports also highlight examples of good practice. Our review into confinement and management regimes showed that these were generally well managed and compliant with legislation and policy. And our review into the transport of regional and remote prisoners highlighted a strong policy framework and, with a couple of exceptions, a strong focus on managing risks and the welfare of prisoners.

Perhaps the most common issue that we are seeing across all facilities that we visit or inspect is the impact of staffing shortages. These arise either through vacant positions that need to be filled or staff absences due to unplanned personal leave, workers compensation leave, or absences through secondment to other positions. Whatever the reasons, the impact of these shortages is significant on the daily lives of people in custody. These shortages also have a significant impact on the working lives of staff, with redeployments and restrictions common place. Many of our reports this year, as in past years, document these impacts, including reduced or cancelled activities such as: employment, recreation, education, visits and programs.

Backlogs in workloads are also commonplace, for example assessments and individual management plans for prisoners received into custody have had significant backlogs for many years. Delays in accessing services, such as health and mental health often arise due to staff shortages or absences. At an individual facility level these are very frustrating for staff and prisoners, but there are more broad systemic level impacts such as prisoner health and welfare and reduced opportunities for meaningful rehabilitation aimed at reducing recidivism rates.

Unfortunately, we are again unable to report meaningful progress on the implementation of the United Nations *Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment* (OPCAT). As one of the two nominated National Preventative Mechanism (NPM) bodies in Western Australia our jurisdiction will expand to include preventative visits to police lockups and an expansion of our community engagement and education roles.

To do this we will need a legislative mandate and additional resources, which we understand requires agreement between the Commonwealth and the States and there appears to have been little progress this year. We have done some preliminary work, including engaging with the Commonwealth Ombudsman as the National NPM Coordinator and other preparatory work but progress is slow.

I acknowledge the constructive working relationships that we enjoy with many key stakeholders and organisations, including the Director General of the Department of Justice and the Commissioner for Corrective Services, and I thank them for their contribution to the work of our Office throughout the year.

Finally, I acknowledge and thank all the staff in my Office for their hard work, expertise and dedication over the past year. I am very grateful for their contribution and support throughout the year which once again has been exceptional.



Eamon Ryan
Inspector of Custodial Services

19 September 2023

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 lock-ups.

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 for a five-year term.

FORMER INSPECTORS

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

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 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.

Our inspection standards

The main areas in which we operate when conducting our inspections

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

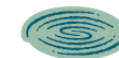
- An effective, ethical, and balanced approach ensures the security of the prison and the prisoners.
- Security measures align with risk.

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.



OFFICE OF THE INSPECTOR
OF CUSTODIAL SERVICES

www.oics.wa.gov.au

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



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.

We conduct deep-dive thematic reviews into systemic policy issues impacting the custodial estate.

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



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

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

OICS staff meet regularly with Department head office personnel.

INSPECTIONS

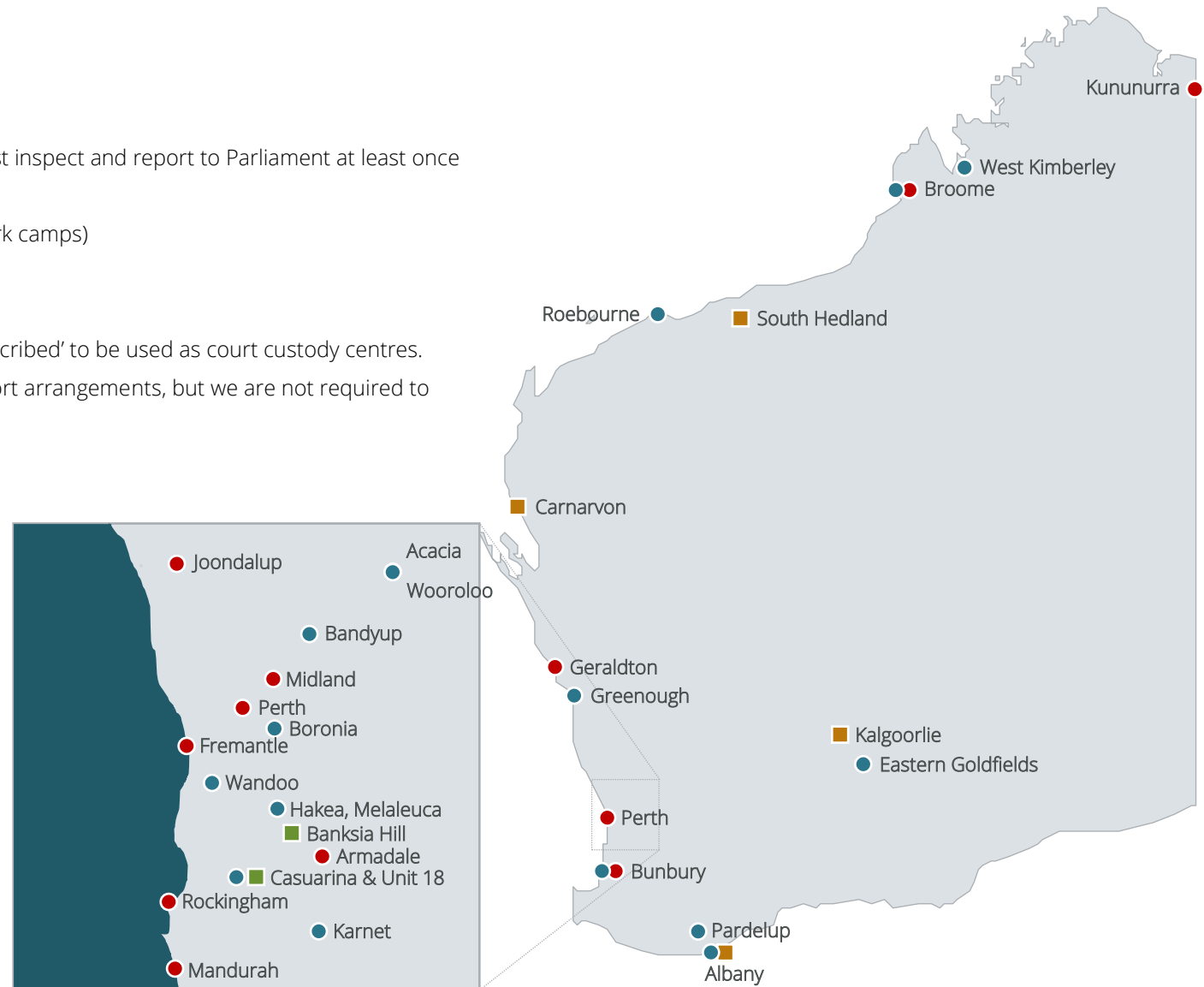
OUR JURISDICTION

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)
- ❖ youth detention centres
- ❖ all court custody centres
- ❖ police lock-ups 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
- Youth Detention Centre
- Court Custody Centres
- Police Lock-ups



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/detainee groups, and community representatives, and talk to individual staff and people in custody.

Most managers of custodial places 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 on-site phase, 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.

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, risks and improvement opportunities; and also, in identifying emerging themes or areas of concern.

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, including Banksia Hill Detention Centre and Unit 18 at Casuarina Prison, 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.

In the past year we conducted 78 liaison visits across all custodial facilities, work camps and court custody centres.

78 LIAISON VISITS

ADULT

YOUTH

METRO

REGIONAL

WORK CAMPS

COURT CUSTODY

CENTRES

REVIEWS

NATURE AND SCOPE

The Act, as originally proclaimed, provided us with a function to undertake reviews of certain custodial services in relation to prisons, detention centres or court custody centres. But in 2011, the *Inspector of Custodial Services Amendment Act 2011* was passed in response to the Coronial Inquest into the heat-related death of Aboriginal Elder, Mr Ward, in a prisoner transport vehicle. These amendments expanded the Inspector's functions to include reviewing aspects of custodial services and the experience of individuals or groups of people in custody. We developed our review function in response to these expanded powers.

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

IDENTIFYING REVIEW TOPICS

Whereas inspections are point-in-time and facility-based, reviews enable the Inspector to perform a deep dive into systemic policy or service delivery issues impacting the custodial estate or specific cohorts of people in custody. This allows for a more targeted approach on key issues and helps inform key stakeholders and the community.

Processes have been developed to assist the Inspector identify and select review topics in an objective and robust way. Potential topics are identified using various sources of information and analysis of findings from other processes. A priority list is developed following the assessment of topics against four criteria: risk; relevance; impact; and viability.

TOPICS IDENTIFIED THROUGH:



INSPECTIONS

Analysis of findings and information gathered from recent inspections



LIAISON VISITS

Analysis of findings from recent liaison visit reports



INDEPENDENT VISITORS

Analysis of findings from recent Independent Visitor reports



PREVIOUS REVIEWS

Consideration of previous reviews undertaken, and any known gaps or issues identified for follow-up



ENVIRONMENTAL SCANNING

Review of publications produced by other jurisdictions and any emerging trends or issues



CONTEXT

Consideration of the local context and any arising issues

TOPICS ASSESSED FOR:



RISK



RELEVANCE



IMPACT



VIABILITY

PROCESSES AND METHODOLOGY

Reviews are guided by established processes and methodology. Prior to initiating a review, a scoping exercise is completed to help narrow the focus. The Department and any other relevant stakeholders are then advised of a review initiation and provided a copy of the terms of reference.

We analyse multiple sources of information to derive and validate findings. These include academic and professional publications, 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. Surveys or other research instruments may also be used where appropriate.

We regularly meet with people in custody and facility staff to develop our understanding of the issue being investigated. We also meet with Department staff, service providers and relevant stakeholders.

KEY FINDINGS DEBRIEF

As with inspections, we give the Department briefings on our proposed findings. The debrief outlines the methodological processes undertaken throughout the review, our preliminary key findings and areas where recommendations are likely. The debrief provides an opportunity for the Department to clarify areas of concern or take immediate remedial actions on issues identified. Similarly, the debrief provides the Office with an opportunity seek additional information on emerging findings.

DIRECTED REVIEWS

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. This report was tabled in Parliament in April 2023.

REPORTING

The Department and any relevant stakeholders are provided the opportunity to review a draft version of the report and recommendations. Stakeholders have a five-week period to provide comments and feedback.

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 under 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.

INDEPENDENT VISITOR SERVICE

The Independent Visitor Service continues to be an integral part of our accountability structures. Appointed by the Minister for Corrective Services, on the advice of the Inspector, Independent Visitors (IVs) inform the Inspector's advice to the Minister and provide valuable input to the work of our office.

Our IVs are community volunteers who bring individual expertise, insight and an impartial approach to the role. They are required to undertake visits to their nominated facility at least once every three months, but often they visit on a more frequent basis, usually monthly.

During visits they meet with people in custody to listen and discuss their concerns and complaints about treatment, conditions or other issues within the facility. The IVs may be able to provide information to the individual to assist them in resolving their issues, or at the end of the visit they can raise appropriate matters with the Superintendent or other senior managers to expedite resolution of any issues raised.

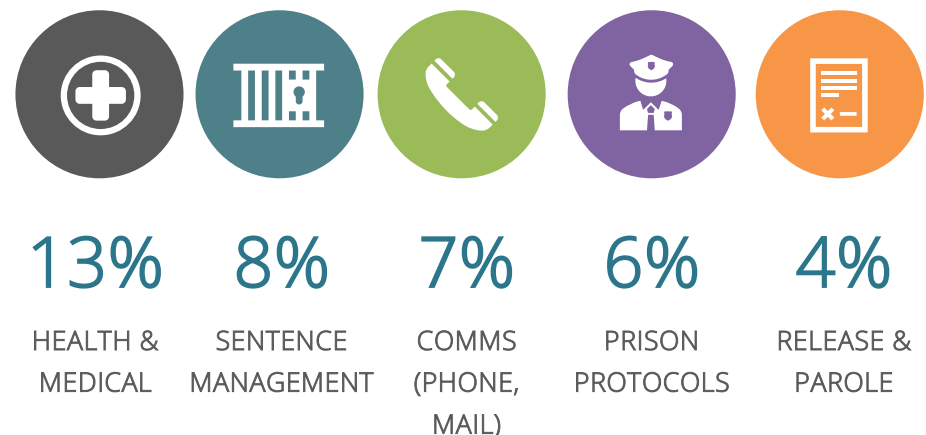
After each visit, the IV prepares a written report for our office containing their observations, summaries of any discussions held, and details of any complaints raised with them by prisoners or other people detained in the facility. We carefully evaluate these reports and, where appropriate, forward relevant matters to the Department seeking a response or additional information. Once the Department responds we follow up on any issues as required. Feedback is provided to prisoners or detainees by the IVs at their next visit or by prison management.

Over the past year, we have continued our emphasis on supporting our existing IVs, and also actively trying to recruit new ones. There are always vacancies and opportunities for new IVs across facilities located in Perth and in the regions, particularly in the Kimberley, Pilbara and Goldfields.

The work we have put in this year supporting our IVs emphasises our ongoing commitment to promoting transparency and improving standards in custodial facilities.

This year, our IVs submitted **163 reports** raising over **800 items**.

One third of those related to the following **top five themes**:



INDEPENDENT VISITORS' REPORTING 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.

The CLO engages in our daily operations and is a key member of our Maar (our Reconciliation Action Plan working group). He also contributes to all aspects of our inspection and review work, including participating in planning and undertaking inspections of prisons and detention centres.

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.



Photo 1 – Community Liaison Officer, Joseph Wallam, speaking with prisoners.

OTHER ACTIVITIES

The Office engages in a wide range of other activities in addition to our mandated responsibilities under the Act. For example, 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. In September 2022, staff from the Tasmanian Office of the Custodial Inspector joined our inspection of Casuarina Prison and in April 2023 representatives from the Queensland Ombudsman participated in our inspection of Eastern Goldfields Regional Prison. In May 2023, staff from our office also assisted the Australian Human Rights Commission (AHRC) in its inspection of the Yongah Hill Immigration Detention Centre.

In the last financial year, we have also made submissions to:

- ❖ the Select Committee into the Provision of and Access to Dental Services in Australia
- ❖ the AHRC review examining Youth Justice and Child Wellbeing Reform across Australia
- ❖ the International Corrections and Prisons Association newsletter on Juvenile Detention and Justice.

We provided comment on the third consultation draft of the *Criminal Law (Mental Impairment) Bill 2022 (WA)* and gave a statement of evidence and appeared before the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. As a nominated National Preventative Mechanism, we also engaged with the United Nations Subcommittee on the Prevention of Torture during its visit to Australia in September 2022.

The Inspector also appeared before the Parliamentary Standing Committee on Public Administration and gave evidence in a coronial inquest.

The Inspector also contributed to, or participated in, several other forums and panel discussions during the year, including:

- ❖ Social Reinvestment WA - Blueprint for a Better Future: Paving the Way for Youth Justice Reform in WA launch
- ❖ Mental Health Advisory Board meeting
- ❖ Youth Affairs Council WA - Fair.Ground conference
- ❖ Youth Justice Round Table discussion.

OUR ENVIRONMENT: CUSTODIAL AND OFFICE PRESSURES

STEADY INCREASE IN REMAND PRISONERS

In recent years, there has been an increase in the number of people entering custody on remand, bringing into question the treatment of unsentenced people. In Western Australia, the daily average unsentenced population across the adult custodial estate has progressively increased over the past decade. In 2011, 18 per cent of the daily average population were unsentenced. This increased to nearly 31 per cent by 2022, despite a decrease in the total population.

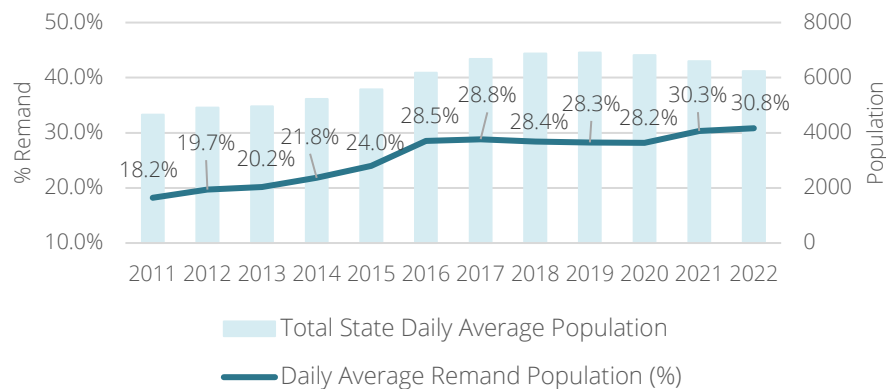


Figure 1: Daily average remand population has increased over the decade (2011-2022).

This increase in the unsentenced population has impacted some facilities more than others. Casuarina Prison – a maximum-security facility intended for sentenced prisoners – has seen a 358 per cent increase in the number of unsentenced prisoners placed there. It now holds a vast number of unsentenced prisoners including many who cannot be placed at Hakea Prison for security reasons.

This is despite Hakea being the primary remand centre for adult males. As a result, Hakea has taken onboard a large proportion of sentenced prisoners, despite not being equipped to meet their needs (OICS, 2022C).

Large increases in the unsentenced population have also occurred at many regional facilities, including Broome Regional Prison (256%), Greenough Regional Prison (189%), Albany Regional Prison (99%) and Bunbury Regional Prison (99%).

The demographic of unsentenced prisoners is also changing. For instance, Aboriginal remandees now exceed non-Aboriginal remandees. In 2011, 49 per cent of remandees received into prison identified as Aboriginal. Following a decline between 2013 and 2016, the proportion of Aboriginal remandees hovered around 46 – 47 per cent, before surging to 51.3 per cent in 2022. The reason for this surge is unclear.

Over the decade there has also been an increase in females being received on remand. In 2011, nearly 13 per cent of all prisoners received on remand were women. This increased to 15 per cent in 2022, following an earlier peak of 17 per cent in 2018.

And, prisoners being received into custody are on average older than they were a decade ago. The average age of prisoners received on remand has increased from 30.8 years in 2011 to 34.2 in 2022. This aligns with our review into older prisoners, which found the custodial population in Western Australia was ageing (OICS, 2021A). This shift in the number of unsentenced people in custody brings into consideration the treatment and rights of those remanded in custody.

The *Guiding Principles for Corrections in Australia* notes that remand prisoners should be subjected to fewer restrictions than sentenced prisoners (CSAC, 2018).

The *Mandela Rules* also notes that unconvicted prisoners should be kept separate from convicted prisoners, should have single-bed accommodation, be able to wear their own clothes, and have the option to procure their own food at their own expense (UNODC, 2015).

However, in practice, there is often very little difference between the conditions for remand and sentenced prisoners. Remand prisoners held in any Western Australian prison do not wear their own clothes, do not have a right to their own single-bed accommodation, and are not procuring their own food. And, at many prisons across Western Australia sentenced and unsentenced prisoners live, work and recreate together.

Until recently, the *Prison Regulations 1982* also allowed for people remanded in custody to receive daily visits from friends and family, as was practicable. In reality this was very difficult for prisons to facilitate and rarely occurred. Amendments were passed in 2022 limiting visits to twice per week and subject to the capacity of the prison's visiting facilities. The rights of remandees to visits is now only marginally different to sentenced prisoners, who continue to be entitled to at least one social visit per week.

There is no doubt that the increase in people remanded in custody has created challenges in the custodial estate. Still, remandees are unconvicted and have a presumption of innocence until their trial. The treatment and conditions of these people should reflect this important difference. The reality for many is that their time on remand is not spent undertaking productive activity.

ACCESS TO TREATMENT PROGRAMS AN ONGOING CHALLENGE

Rehabilitation of offending behaviours and the development of pro-social skills is a key objective of incarceration. Through rehabilitation, people in custody reduce their risk of re-offending. Ineffective, inappropriate or inaccessible rehabilitation efforts can undermine this objective.

One of the most important rehabilitation interventions is the completion of criminogenic treatment programs that prisoners are assessed as needing. As of May 2023, there were 1,835 prisoners who collectively had been assessed as requiring 3,440 offending-related treatment programs. Yet only 35 per cent of these programs had been completed. As part of our monitoring, we regularly assess the suite of rehabilitation programs available across the custodial estate and the barriers prisoners may face accessing these.

One such barrier is that since 2018 delayed treatment assessments and the completion of initial individual management plans (IMPs) has continued to prevent many prisoners from accessing treatment programs. To reduce the backlog of assessments, the Department implemented the IMP Review Project between July 2019 and June 2022. Despite the project achieving process efficiencies, the backlog began to climb again after some initial positive progress. By June 2022, there were 738 prisoners awaiting an initial IMP. This has since grown to 811 as of 1 June 2023.

This backlog prevents these prisoners from having an opportunity to gain access to the rehabilitation they require to address their offending behaviour and successfully reintegrate back in their community.

But the difficulty does not stop once a prisoner has an IMP. Gaining access to required treatment programs has also proven difficult for many even after they have been assessed as needing them. For a program to run there needs to be enough prisoners with the same treatment need, in the same location, at the same time. This proves challenging for prisoners in regional facilities (particularly women) and specialist cohorts such as protection prisoners. As a result, many are required to transfer to a different facility to access their treatment program. Often this means moving away from family and friends or cultural connections. We continue to recommend the use of alternative delivery formats such as modularised, self-paced or remote learning that would improve accessibility and limit the need for prisoners to transfer (OICS, 2022F; OICS, 2022G; OICS, 2022H).

There are also concerns about the effectiveness of criminogenic programs on offer. During our inspection of Acacia Prison, concerns were raised that programs being delivered were out of date, in need of adaptation, and not responsive to people with learning difficulties or people from certain cultural backgrounds (OICS, 2023A). This issue was also raised at Roebourne Regional Prison. The Pathways addictions program – designed and developed for use in an urban American setting – was requiring significant adaptation to be relevant to the largely Aboriginal, regional-based cohort (OICS, 2022F). The lack of cultural relevance may partly explain a key finding of a Department-initiated review of programs that found Aboriginal men were likely to re-offend and return to custody regardless of program completion (Tyler, 2019).

Notwithstanding these issues, we have observed some positive developments in the offering of voluntary non-criminogenic programs. Acacia Prison hosted or provided access to a range of voluntary programs on substance use, family violence, gambling and victim awareness (OICS, 2023A).

Other programs helped develop skills to assist people transition to community life effectively, such as career development, parenting skills and financial planning. At Roebourne, the Yaandina Community Services was providing one-on-one counselling and Mission Australia was offering mental health and alcohol and other drugs (AOD) workshops (OICS, 2022F).

Our review into the supports available to perpetrators and survivors of FDV found there were multiple barriers to accessing treatment programs and limited voluntary programs with a focus on FDV (OICS, 2022H). More recently, however, the Department announced it was trialling a new family and domestic violence (FDV) program for victim-survivors at Bandyup Women's Prison and Greenough Regional Prison. With community awareness of FDV issues increasing, this trial program is timely and will provide much needed support to women in custody nearing release.

Voluntary programs are an important piece of the rehabilitation puzzle. They are often more accessible to prisoners and do not require prior completion of treatment assessments. They also demonstrate a commitment to self-development and learning, which can be looked upon favourably by the Prisoners Review Board particularly where criminogenic treatment programs could not be accessed.

However, this does not diminish the need for an effective, accessible and deliverable suite of criminogenic treatment programs. It bears repeating that a key objective of incarceration is to provide a rehabilitative service to prevent people from re-offending. Recidivism comes with a financial cost – with adult prisoners costing on average \$135,000 per year. But, there is also a social cost we must consider – with offending impacting family, victims and the broader community.

STAFFING SHORTAGES CONTINUE TO IMPACT DAILY LIFE

Over the past year there has been considerable attention placed on the impact of staffing shortages on the operations of Banksia Hill Detention Centre. Our inspection of the facility in February 2023 was significantly hampered as a result of these shortages (OICS, 2023B).

But this issue is not isolated to Banksia Hill. Our recent reports for Acacia Prison (OICS, 2023A), Roebourne Regional Prison (OICS, 2022F) and Pardelup Prison Farm (OICS, 2022E) each highlighted how staffing shortages impacted daily operations. These impacts are also being observed in our current round of inspections, which are yet to be reported.

For some facilities, staffing issues stem predominantly from absences rather than vacancies. But at others it is due to vacancies that, for various reasons, cannot be filled. At Roebourne, we found the prison was being severely impacted by staffing shortages. Documents provided to us showed this was driven by the ongoing management of planned leave, secondments and workers' compensation claims rather than actual vacancies.

Similarly, at the time we inspected Pardelup, a regional prison farm with a small number of uniformed staff, the facility had three suspended officers. As those positions were not vacant, they could not be backfilled. Four of the eight senior officer positions were also unavailable for various reasons. Pardelup sought assistance from Albany Regional Prison, who allowed their officers to do overtime shifts at the farm.

In other cases, staffing vacancies and high attrition rates were exacerbating the impact of staffing absences. This was particularly prevalent at Banksia Hill. At the time of inspection in February, there had already been 16 resignations for the year.

The Department has increased investment in the recruitment of new custodial staff to tackle vacancies, but a challenging employment market and ongoing media scrutiny of the facility was hampering efforts. Recruitment was not maintaining pace with attrition levels, and this was compounded by high rates of workers' compensation and daily staff absences. During our inspection of Acacia Prison, the facility was also undertaking recruitment to help address ongoing vacancies.

Some regional facilities, particularly those in the Kimberley and Pilbara, also faced additional difficulties in securing suitable accommodation for staff willing to transfer in. Others, like Eastern Goldfields Regional Prison had trouble attracting and retaining staff.

These shortages have a range of impacts on the operation of custodial facilities. Staff from non-essential areas are regularly re-deployed to ensure there are enough to safely operate core functions. This negatively impacts the delivery of organised recreation, education and programs. Workshops used for training and employment may close and, in some cases, visits may be cancelled, and external appointments may be rescheduled. These impacts cause frustration for both staff and people in custody, which increases the temperature of the facility and affects staff morale.

To help tackle this issue, the Department recently announced a review of staffing across the custodial estate with an intention of modernising employment practices and improving the flexibility and efficiency of the workforce. It was encouraging to see the problem being addressed at a strategic level and we look forward to hearing more about the outcomes of this important piece of work.

STAFFING SHORTAGES ALSO LIMIT THE EFFECTIVENESS OF VALUABLE PRISONER SUPPORT SERVICES

Through our work we continue to observe inadequacies across key prisoner support services such as the Aboriginal Visitors Scheme (AVS), Prison Support Officers (PSO) and peer support prisoners. These roles were introduced following the Royal Commission into Aboriginal Deaths in Custody and serve an important function delivering peer-based support to help identify deterioration in mental health and prevent acts of self-harm and suicide.

Staff shortages continue to impact the effectiveness of these services in many facilities. Under the AVS, local Aboriginal visitors are employed by the Department to provide assistance, support and cultural connections to Aboriginal prisoners. However, in March 2022, over half (15 FTE) of the 27 AVS positions across the custodial estate were vacant. Six facilities – four with a high proportion of Aboriginal prisoners – had no Aboriginal visitors employed (OICS, 2023D).

The level of service between facilities also differs. Between March 2021 and March 2022, the AVS conducted 1,356 visits to Casuarina Prison but only 231 visits to Acacia Prison, despite both facilities having a similar daily average population. And, Boronia Pre-Release Centre, Karnet Prison Farm and Pardelup Prison Farm do not have their own dedicated AVS staff making them reliant on other facilities or leaving prisoners to access the service through telephone contact (OICS, 2023D).

We have highlighted issues and concerns around the delivery of the AVS across multiple reports, including Boronia Pre-Release Centre (OICS, 2022B), Broome Regional Prison (OICS, 2020A), Hakea Prison (OICS, 2022C), Greenough Regional Prison (OICS, 2022D), West Kimberley Regional Prison

(OICS, 2021B), Roebourne Regional Prison (OICS, 2022F), and Woorloo Prison Farm (OICS, 2022A) and in two thematic reviews (OICS, 2022H; OICS, 2023D). The Department has conducted various reviews into the service over the years and is currently working on a revision to the model to improve its functionality. In the meantime, we remain concerned that the purpose and intent of the AVS is not being achieved, which may come at the expense of the social and emotional wellbeing of Aboriginal people in custody.

Similarly, there have been shortages in PSOs across the custodial estate. PSOs help support and coordinate peer support prisoners, who are a valuable resource to other prisoners – particularly outside core business hours. These roles form a key part of the Department's approach to suicide prevention. In March 2022, there were four PSO positions vacant across the estate and Boronia, Broome and Pardelup had no dedicated position (OICS, 2023D).

At the time of our 2022 Roebourne inspection the PSO had resigned and had not yet been replaced. The PSO had built a strong team of peer support prisoners who worked well with others to provide support and assistance (OICS, 2022F). But without the support of a dedicated PSO, we observed the team becoming less effective and supported in their work. Additionally, the prison had also been without an Aboriginal Visitor since our previous inspection three years prior. The death of a prisoner at Roebourne in 2020 highlights the importance of effective suicide prevention measures. We recommended the Department urgently recruit a PSO and AVS staff to help ensure there is an effective support network in place for prisoners.

Similarly, when we inspected Acacia Prison there were no PSOs on-site (OICS, 2023A). One position had remained vacant for some time and the other was on an extended absence. We were also concerned to see peer support prisoners interviewing at-risk prisoners and providing notes, a role usually reserved for the PSOs, who would then report back to the Prisoner Risk Assessment Group (PRAG). While there are benefits to having a fellow peer check-in with at-risk prisoners, only one peer support prisoner had completed the Gatekeeper Suicide Awareness program and there was limited support and supervision. We recommended Serco review the appropriateness of this arrangement and ensure there were sufficient Prison Support Officers to provide adequate supervision.

In the youth detention space, Aboriginal Youth Support Officers (AYSO) provide a valuable role to young people in custody but historically have also been under-resourced. During our inspection in February 2023, there were only four AYSO positions to cater for youth at both Banksia Hill and Unit 18 at Casuarina Prison (OICS, 2023B). But an additional nine positions had been created in response to our previous inspection and by April 2023 the Department had filled all these roles.

Prevention of self-harm and suicide in custody requires a multi-pronged approach of interventions and supports from custodial staff, non-custodial staff and peer support programs. The absence of an effective peer support mechanism within a custodial facility weakens the Department's safeguards.

We continue to encourage the Department to take the necessary actions to ensure these important roles are well equipped and resourced to perform their vital work.

MENTAL HEALTH SERVICES ARE STILL IN HIGH DEMAND, BUT IMPROVEMENTS MAY BE ON THE HORIZON

As in previous years, we have observed that many people in custody who have mental health concerns, especially those in crisis, have struggled to access adequate care.

Last financial year we noted a decrease in the number of people in custody being managed under the Department’s psychiatric priority risk rating system (OICS, 2022). However, this year the number has increased to an average of just over 700 people at any one time. Consequently, this financial year we have made six recommendations seeking assurances that people in custody receive appropriate mental health assessments and support services (OICS, 2023D; OICS, 2023C; OICS, 2022I).

Fortunately, the proposed mental health unit due to be constructed at Casuarina Prison in 2024 is still planned (OICS, 2023C). The 34-bed unit is expected to improve mental health services available for men across the custodial estate, whereas Bindi Bindi, the sub-acute step-up/step down mental health unit at Bandyup Women’s Prison, has shown promise for women in custody. In youth detention, a purpose-built crisis care unit is planned for Banksia Hill Detention Centre. All of these facilities will go some way to improving the mental health support available in prisons and youth detention centres.

We also welcome the State Government’s announcement earlier this year that it is expanding mental health services in the community. New funding in the 2023-24 State budget has been allocated to enable the ‘construction of at least 53 additional forensic mental health beds, of which five are for a children and adolescent unit (Government of Western Australia, 2023).

This is a much-needed investment as we have often reported on the impact that the bed blockages at the Frankland Centre have on the custodial estate (OICS, 2023C; OICS, 2022I; OICS, 2021; OICS, 2018).

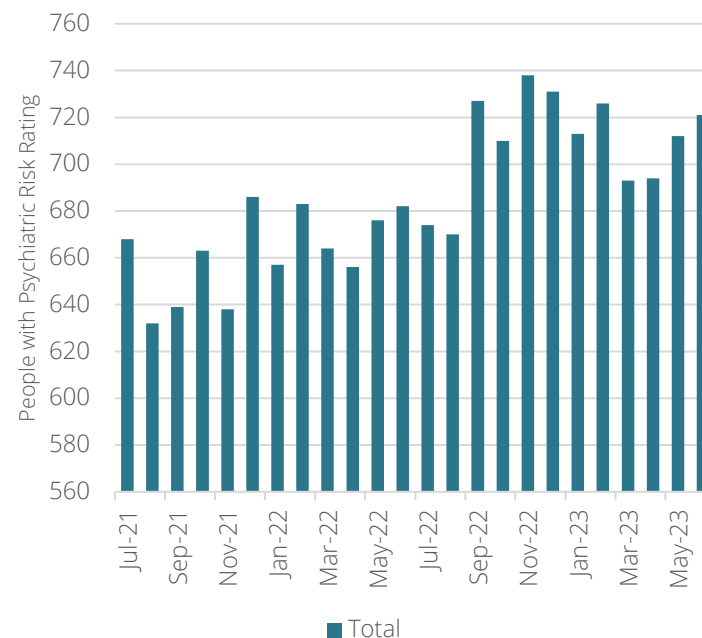


Figure 2: The total number of people in custody managed under the Department’s psychiatric priority risk rating system has increased steadily over the last two years (July 2021 – June 2023).

THE CRISIS IN YOUTH DETENTION HAS CREATED OUR OWN INTERNAL RESOURCING PRESSURES

By far our biggest concern this year has been Banksia Hill Detention Centre and Unit 18 at Casuarina Prison. Both centres have continued to attract significant public attention and scrutiny. There has been a significant number of critical incidents including serious self-harm and attempted suicides, worrying staff assaults, fires, prolonged roof ascents, and several riots. Adding to this is the significant shortage of custodial staff which has resulted in excessive time in cell for the young people.

Given all of this, our obligation to monitor the treatment and conditions for young people in custody has added significantly to our workload. For example, we conducted 25 liaison visits to Banksia Hill and Unit 18 over the last financial year (out of a total 78 liaison visits for all facilities). This was in addition to our 10-day inspection in February 2023 for which we had to fast track our reporting. Our IVs also visited 11 times compared to six in 2021–2022. All these activities are resource intensive and require a difficult balancing of priorities.

Providing this vital oversight improves transparency, ensures accountability and promotes humanity and decency. But we have not had any additional resources, and consequently, we have been required to risk assess and reprioritise our liaison oversight of other facilities in order to meet this need.

Reporting on the crisis in youth detention has also emphasised a somewhat unusual provision within our Act that delays timely reporting of our inspection and review findings. Section 35 of the Act requires our reports to be laid before both Houses of Parliament for minimum of 30 days before they can be tabled and publicly released.

This timeframe is substantial, and we are not aware of similar reporting arrangements in the statutes of other oversight agencies. As we have seen, much can occur in 30 days, particularly when it relates to youth custody.

For example, our most recent inspection report of Banksia Hill and Unit 18 was laid before both Houses on 8 May 2023, one day prior to the riot on 9–10 May 2023. The report was embargoed until 8 June 2023 and although many of the findings remained relevant, the landscape shifted so significantly during that time, that we believe Section 35 of the Act requires review to ensure the prompt reporting of our statutory responsibilities.

ACHIEVEMENTS IN 2022-23

The Office tabled nine reports in the last financial year, which included 91 recommendations.

TABLED REPORTS

9

Target Achieved in FY22-23

This year we continued to achieve our target by tabling **9 reports** in Parliament.

This included 6 inspection reports and 3 thematic reviews.

COST OF REPORTS

~\$284K

Average Cost Increased

This year we produced 9 reports at an average cost of approximately **\$284,000**.

In FY21-22 we produced 11 reports, which brought down the average cost per report to approximately \$266,000.

RECOMMENDATIONS

91

Acceptance Rate Increased

71 of 91 recommendations either Supported, Supported in principle, or Supported current practice or project.

This equates to **78% acceptance** rate, an increase from 70% in FY21-22.

INSPECTIONS

COMPLETED INSPECTIONS

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

- ❖ Karnet Prison Farm (July 2022)
- ❖ Casuarina Prison (September 2022)
- ❖ Wandoo Rehabilitation Prison (November 2022)
- ❖ Banksia Hill Detention Centre, including Unit 18 at Casuarina Prison (February 2023)
- ❖ Eastern Goldfields Regional Prison (April 2023)
- ❖ West Kimberley Regional Prison (May-June 2023)

We tabled six inspection reports.

REPORT 143: 2021 INSPECTION OF COURT CUSTODY CENTRES AND FIONA STANLEY HOSPITAL SECURE FACILITY

Between December 2020 and July 2021, we inspected all metropolitan courts, the Fiona Stanley Hospital Secure Facility and the eight regional courts with custody centres or prescribed lock-ups.

All the court custody centres (except Perth Children's Court) are managed for the Department by private contractors under two main contracts. This inspection we observed custody staff from both contracts interacting respectfully and professionally with court staff and people in custody. That continued the high standard of service delivery that we had seen in past inspections.

We found improvements in the Department's governance and management of both contracts, including several initiatives implemented following recommendations from our previous inspections. This included better contract monitoring and oversight, and improvements in the integration of updated technology.

We also noted the lack of consistency in custodial infrastructure and security mechanisms across the state. Importantly, the Department supported our recommendation to review infrastructure and security at all custodial court facilities to ensure a consistent high standard of service delivery.

REPORT 144: 2022 INSPECTION OF PARDELUP PRISON FARM

We inspected Pardelup Prison Farm in January 2022. It is a minimum-security reintegration prison for male prisoners and a working farm, that breeds cattle and sheep, and produces fruit and vegetables for the Western Australian prison population. Pardelup also operates a work camp near the town of Walpole.

This inspection, we concluded that Pardelup had maintained its past positive performance and continued to offer constructive and rewarding rehabilitation opportunities for prisoners.

We also found that another strong aspect of Pardelup's performance was the support and connection it had with its local surrounding communities. We received positive feedback from community reference group members and representative organisations about how highly they valued the contribution made to their communities by prisoners based in Pardelup and at the Walpole Work Camp.

REPORT 145: 2022 INSPECTION OF ROEBOURNE REGIONAL PRISON

This was our ninth inspection of Roebourne Regional Prison, a receipt facility for people sentenced, remanded or returned to prison in the Pilbara region. This inspection, in March 2022, we found many areas which were progressing well.

The social visits centre has been improved since last inspection and there were some excellent initiatives in voluntary programs and throughcare services for prisoners, especially for Martu people from the Western Desert. The Town Work Camp was also continuing to provide outstanding service to the prison and the community.

However, the high rate of 'unknown' or 'unexpected absences' on the part of the staff, in addition to other staffing deficiencies meant prisoners' quality of life was being affected. Female prisoners were especially impacted by staff shortages and the confining nature of their accommodation.

But ultimately, our focus was the need for effective climate control. It has been an ongoing concern for this Office over many years but last summer the heat was at a record level.

We welcomed the Western Australian Government announcement of an intention to install air-conditioning in the prison, although we understand that it will take until at least 2024 before installation work is completed.

REPORT 146: 2021 INSPECTION OF ACACIA PRISON

Acacia is Western Australia's only privately-operated prison. In May 2021, Serco was awarded the contract to operate the prison for a five-year term, with two extension options. At the time of our inspection in November 2021, Acacia had been through a turbulent few years with extensive effort and resource commitments put into the bidding process.

We found Serco was future focused on implementing the requirements of the new contract and the necessary adjustments that came with it.

However, the period of uncertainty and the workload required in the bid preparations had taken a toll on many staff. The Superintendent and three key members of the senior management team had left the prison or indicated they were about to leave. Subsequently, a new management team has settled into their roles.

One of the most significant changes we noted in this inspection, was the restructure of the health centre and how it was staffed and operated. In 2016, we recommended reviewing health services at Acacia and implementing measures to improve efficiencies, effectiveness, and staff morale.

An independent review was conducted and in 2019 there were marked improvements. The alcohol and other drug and mental health teams were brought together and were working well.

But this inspection found that the teams had been separated again which appeared to have lowered morale among staff and reduced services once again.

The uncertainty leading up to the contract being awarded, the changes implemented after the contract was won, the instability of senior management, and staffing shortages had culminated in a lower standard of performance to that found previously at Acacia. However, Acacia was working hard to identify the issues and rectify the situation.

Unfortunately, not long after the inspection there was a riot at Acacia which damaged infrastructure including two accommodation units and much of the industries area. This had again slowed down plans to extend employment opportunities for the prisoners and has impacted on the speed of the progress towards better performance overall.

REPORT 147: 2022 INSPECTION OF WANDOO REHABILITATION PRISON

This was our second inspection of Wandoo Rehabilitation Prison as a drug and alcohol facility for women. It was quite unique in operating a modified therapeutic community inside a medium security prison. This inspection, in November 2022, found that Wandoo was offering a safe, drug-free environment where residents could access life changing therapeutic interventions to break the cycle of addiction, offending and imprisonment.

The women reported that their quality of life within the prison was good, and they were kept busy participating in individual and group therapy, education and employment.

And unlike at other prisons, the women felt that the staff supported them on their journey to identify and address the root causes of their substance misuse and offending. However, the report also noted that the integration of therapy and treatment with custodial and security priorities had its challenges. Not all custodial staff and managers were trained in how the therapeutic program ran, which risked diluting the program's integrity.

The report found that changes to Wandoo's eligibility criteria meant more women could be considered for placement. This was positive, but some of the strategies to increase the population were not always seen as being in the best interests of the women. We concluded that greater cooperation and collaboration between the Department and service provider was needed to optimise outcomes for the women at Wandoo.

REPORT 148: 2023 INSPECTION OF BANKSIA HILL DETENTION CENTRE AND UNIT 18 AT CASUARINA PRISON (PART ONE)

Youth custody is one of the greatest areas of risk for the Department. Our last full inspection of Banksia Hill occurred in September 2020. However, we conducted a targeted inspection of the centre's Intensive Support Unit (ISU) in December 2021, triggered by our concerns for the young people and staff after a turbulent period where critical incidents, including self-harm and attempted suicides, had increased.

This inspection in February 2023 found further deterioration. This was despite the opening of Unit 18 at Casuarina Prison as a circuit-breaker initiative in July 2022.

Ongoing lockdowns and decreased time out of cell, due to staff shortages, increased the ‘temperature’ within both facilities and was leading to regular critical incidents such as staff assaults, roof ascents and riotous behaviour.

Lockdowns were also harmful to the young people’s mental health. The rates of self-harm and attempted suicides since the ISU inspection had remained high and mental health care services were further stretched. The mental health team were managing up to 30 at-risk young people on any given day, limiting the availability of offence-specific counselling for rehabilitative purposes.

We also found that staff were burnt out, demoralised and felt unsafe. And many were suffering the impacts of trauma and compassion fatigue. Still, many remained optimistic, displayed courage and resilience, and were learning to do more with less because recruitment was struggling to keep pace with high attrition rates. We recommended reforms to the existing staffing model to help address staff shortages and to transform the care and engagement offered to young people in custody.

In reflecting on the inspection, at the time we concluded that there were two parts to the Banksia Hill and Unit 18 story – one: the immediate crises that needed to be urgently addressed, and two: the various services, supports and initiatives that were overall relatively positive but had been limited by the immediate crises. We had expected to write a second report, Part Two, which would be publicly available in the next reporting period. However, the riot which commenced on 9 May 2023 was an enormous setback for the centre and our planned reporting now depends upon our close and continued monitoring of the situation in both centres.

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. There are seven inspections proposed for 2023-2024. They are:

- ❖ Bunbury Regional Prison (July 2023)
- ❖ Bandyup Women’s Prison (September 2023)
- ❖ Melaleuca Women’s Prison (November 2023)
- ❖ Court Security and Custodial Services (November 2023)
- ❖ Albany Regional Prison (February 2024)
- ❖ Boronia Pre Release Centre (March 2024)
- ❖ Hakea Prison (May 2024).

REVIEWS

The Office tabled three reviews over the past financial year, including:

- ❖ *The use of confinement and management regimes*
- ❖ *The transport of regional and remote prisoners*
- ❖ *Directed Review into the Department of Justice's performance in responding to recommendations arising from coronial inquiries into deaths in custody.*

A further three reviews have been initiated and are expected to be tabled in the coming year. These include a review examining the role of the Special Handling Unit at Casuarina Prison as a specialist unit for high-risk prisoners and the management of prisoners placed there. This review is nearing completion.

We have also initiated two disability focussed reviews examining the identification and supports available to people in custody with intellectual disabilities and hearing impairments. We expect these reviews to be completed towards the end of 2023.



THE USE OF CONFINEMENT AND MANAGEMENT REGIMES

This review examined the appropriateness of the use of confinement and management regimes in Western Australian custodial facilities. We found confinement and management regime practices across the custodial estate were typically compliant with legislation and policy. However, we identified some discrepancies in the use of some types of confinement regimes at certain facilities.

The review did not identify any systemic evidence to suggest that people in confinement were not receiving their basic entitlements. However, the management of people in confinement rarely extended beyond the delivery of essential needs. We observed limited human contact, a lack of in-cell activities for stimulation, and limited opportunities for fresh air and exercise in some cell yards. Mental healthcare was also provided reactively rather than proactively.

The review reiterated that the use of confinement and management regimes can be harmful to people in custody. The deprivation of entitlements and social isolation experienced by prisoners in confinement can have a significant impact on their wellbeing. We again raised our concern that people with acute mental ill-health should not be held in prolonged separate confinement within a custodial environment.

Improvements in transparency will assist the Department's oversight of confinement and management regime practices in Western Australian prisons. This will also help ensure a high standard of compliance is maintained when using restrictive regimes and areas for improvement are readily identified. We made 10 recommendations all of which the Department supported.

THE TRANSPORT OF REGIONAL AND REMOTE PRISONERS

Transporting prisoners across Western Australia is a complex operation given the vast distances required to be covered. Movements of prisoners occur daily for various reasons, including transfers between different facilities, for scheduled and unscheduled medical appointments, to attend funerals or external work opportunities. Depending on the distance to be covered and the reason for the movement, prisoners can be transported by secure or unsecure vehicles, in coaches or by plane.

The review found that both the Department and Ventia – the third-party contractor appointed under the *Court Security and Custodial Services Act 1999* – had a clear focus on prisoner welfare and had implemented comprehensive policy and procedural frameworks. Following the tragic death of Mr. Ward in 2008 in the rear pod of a prisoner transport vehicle, the Department have maintained a focus on welfare, safety and security throughout its transport policies and practices.

However, we identified some areas where practices were not clearly aligning with policy intent, or where improvements could benefit both staff and prisoners.

We made 14 recommendations and the Department supported, supported in principle, or supported as a current practice, 11 of these.

DIRECTED REVIEW INTO DEPARTMENT OF JUSTICE'S PERFORMANCE IN RESPONDING TO RECOMMENDATIONS ARISING FROM CORONIAL INQUIRIES INTO DEATHS IN CUSTODY

This review was commenced following a direction issued by the Minister for Corrective Services the Hon. Bill Johnston MLA, under Section 17(2)(b) of the Act. The review examined deaths publicly reported on between 2017 and 2021 to determine:

- ❖ whether the Department implements recommendations made by the Western Australian Coroner appropriately, and
- ❖ how effectively does the Department monitor its continued compliance with the recommendations made by the Western Australian Coroner.

In the sample time period, the Coroner made 35 formal recommendations to the Department from 13 inquests relating to the deaths of 17 prisoners. We randomly tested a sample of 10 of the 35 coronial recommendations directed to the Department that were then supported, actioned, closed and verified. We requested the Department's closure evidence for each recommendation and examined the actions taken to justify the closure.

The review found that despite generally good governance processes being in place, the Department was frequently closing recommendations without full implementation. Actions implemented did not always meet the intention of the Coroner's recommendations, or at times only addressed them in part. This included actions around ligature minimisation, installation of CCTV, increased mental health resourcing and additional training for custodial staff.

We recognise that the Department has made some improvements in its handling of recommendations from external agencies, and that it is committed to preventing future deaths in custody. The findings of the review should assist in further strengthening processes and mitigating known risks.

Fourteen recommendations were made, 11 of which the Department supported, supported in principle, or supported as a current practice.

RECONCILIATION ACTION PLAN (RAP)

This year we received full endorsement of our Innovate Reconciliation Action Plan (RAP) from Reconciliation Australia. Our RAP contains an ambitious target of 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. A full copy of our RAP can be found on our website.

Our RAP Working Group 'Maar' met quarterly over the last year to progress the Office's deliverables and promoted activities within our Senior Management Team and to all staff more regularly. We are pleased to note that we are meeting many of our commitments.

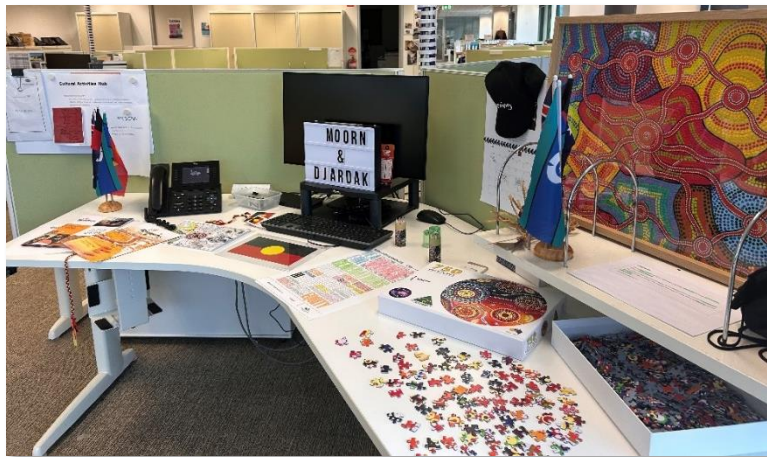


Photo 2: A 'cultural hub' in the office encourages staff to connect with and learn about Noongar culture.

We have completed 13 deliverables and are largely on track for those remaining open. Some of the work we have done this past year includes:

- ❖ Developing a relationship with Aboriginal Interpreters WA to provide First Nations people in custody with the opportunity to engage with us in language.
- ❖ Celebrating National Reconciliation Week (NRW) with our neighbours, the Office of the Information Commissioner and the Mental Health Tribunal, and during our inspection of West Kimberley Regional Prison.
- ❖ Developing a staff engagement strategy raising awareness of reconciliation across our office.
- ❖ Using our website and social media account to promote our reconciliation activities.
- ❖ Reviewing our policies and procedures to promote positive race relations, remove any barriers to First Nations staff joining our ranks, and ensure all staff can participate in NAIDOC and NRW celebrations and other days of significance.
- ❖ Updating our procurement practices to develop commercial relationships with First Nations businesses.
- ❖ Embedding cultural protocols in our work and holding a community forum in December 2022 for individuals and community representatives which was opened by a Noongar Elder with a moving Welcome to Country.

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 FOR CORRECTIVE SERVICES

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 INTERACTIONS

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. No show cause notices were issued this year.

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.

UNITED NATIONS OPTIONAL PROTOCOL TO THE CONVENTION AGAINST TORTURE AND OTHER CRUEL, INHUMAN OR DEGRADING TREATMENT OR PUNISHMENT

On 20 January 2023 Australia's obligations as a signatory to the United Nations *Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment* (OPCAT) commenced.

As one of Western Australia's nominated National Preventative Mechanism (NPM) bodies under OPCAT, we had anticipated having to commence work in our expanded jurisdiction to conduct preventative visits to police lock-ups, widen our community engagement and deliver enhanced education in the treatment and conditions for detained people.

But despite the obligation for our work to have begun this financial year, there has been very little progress towards full implementation from what we reported last year. And this is mostly down to matters outside our control.

To our knowledge, the required national agreement for OPCAT's operation and funding have yet to be finalised, and many jurisdictions even remain without nominated NPMs. This means that we do not have the legislative authority to commence oversight of police lock-ups or the various other requirements of OPCAT. We will require additional resources to undertake an expanded OPCAT remit, and without this we have been unable to progress the detailed work required to set up our methodologies, standards and frameworks.

As one of two nominated NPM in Western Australia, we have continued our engagement with other appointed authorities throughout Australia as part of the National NPM Network. This is chaired by the Commonwealth Ombudsman as the nominated national coordinating body. This has allowed us to share information, coordinate responses to OPCAT related activities, and contribute to the assessment and comment on relevant issues and events for detained persons. Our capacity for this, however, has been limited due to resource constraints.

We would also like to acknowledge and thank the Piddington Society (WA) for engaging with us and supporting our research of methodologies for the inspection of police places of detention. The Society facilitated three of its Practical Legal Training (PLT) students to undertake a research project related to our anticipated OPCAT jurisdiction. Their final report provided valuable information and insights for us to consider once we are resourced to further develop and finalise the processes and structures needed to undertake our OPCAT responsibilities.

As a member of the NPM Network we are required to report annually through the national coordinating body. Work on this report has begun, but unfortunately it will reflect the limitations we face in undertaking our expanded role. It will, however, reflect those aspects of our prison inspection work that do satisfy our OPCAT preventative responsibilities in relation to those places of detention.

PART TWO

SOURCE REFERENCE

FMA s 61 HON PAUL PAPALIA, CSC, 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 2023.

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
19 September 2023

OPERATIONAL STRUCTURE

ENABLING LEGISLATION

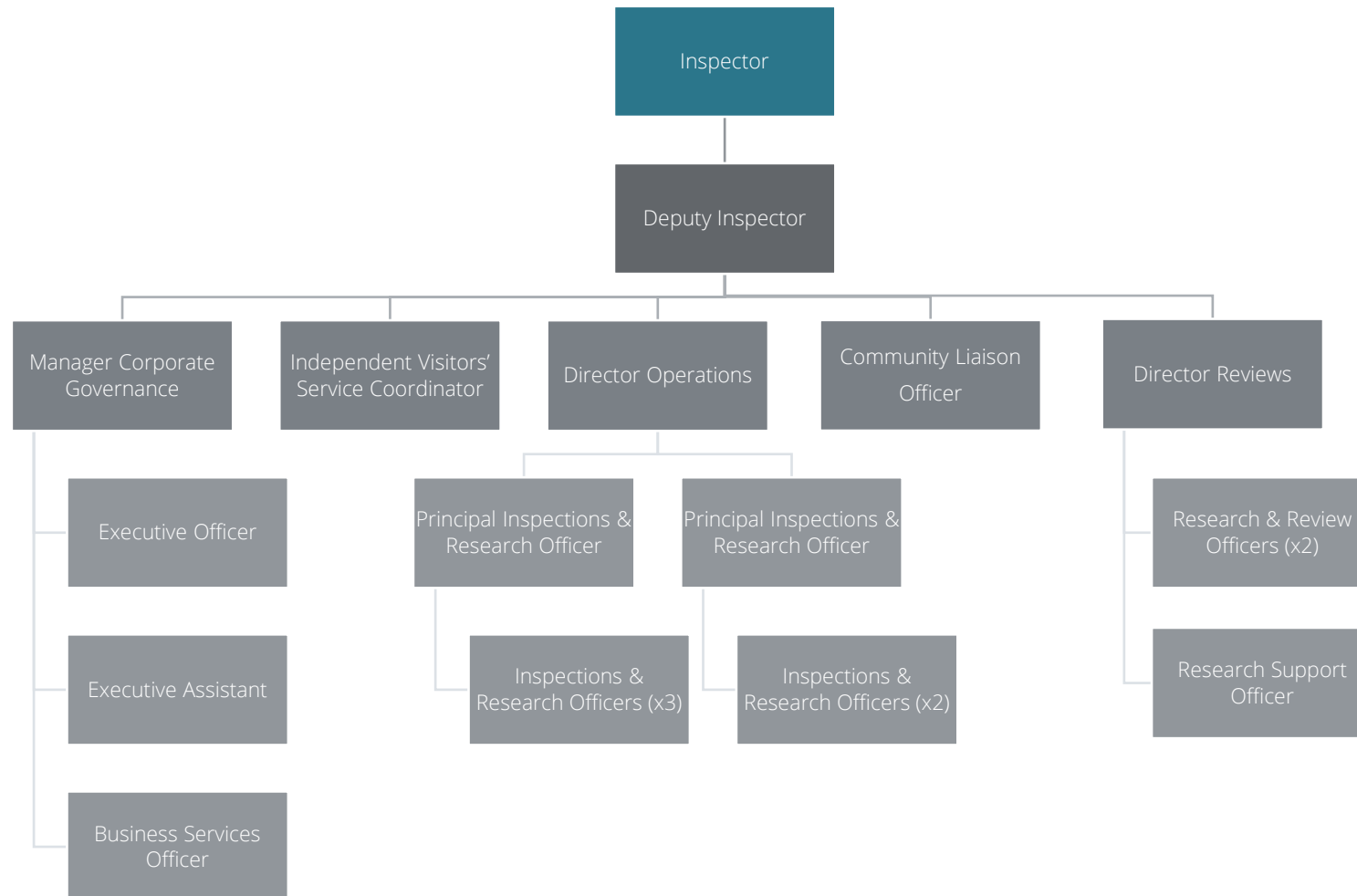
The Office was established as a department on 1 June 2000 pursuant to Section 35 of the *Public Sector Management Act 1994* and Section 4A(2) of the *Public Sector Management (General) Amendment Regulations 2000*.

The *Inspector of Custodial Services Act 2003* was assented to by the Governor of Western Australia on 15 December 2003.

RESPONSIBLE MINISTER

The Hon Paul Papalia, CSC, MLA, Minister for Corrective Services.

ORGANISATIONAL CHART



SENIOR OFFICERS



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.



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.

During the year Ms Natalie Gibson was appointed Acting Deputy Inspector while Mr Ferguson was on a period of secondment to another agency.

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

	2021-22	2022-23
Full-time permanent	12	12
Full-time contract	1	3
Part-time measured on an FTE basis	4	3
Part-time contract	0	0
	17	18*

*The Office has 19 staff across all organisational roles. Accounting for part-time positions this equates to 18 FTE. One position was vacant.

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 the *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
19 September 2023

SOURCE REFERENCE

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

SOURCE REFERENCE

Disability Services Act 1993 Compliance with the *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

SOURCE REFERENCE

State Records Act 2000 Compliance with the *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 have engaged an expert to conduct a review of our electronic documents filing with the view to making the Office's practices more contemporary and ready to consider document management system options moving forward.

The Office participated in the Information Classification Working Group which promotes the identification and sensitivity of information so that it is clear to those accessing the information.

MULTICULTURAL PLAN

The Office developed a Multicultural Plan 2021-24 with a focus on three key priorities:

- ❖ harmonious and inclusive communities
- ❖ culturally responsive policies, programs and services
- ❖ economic, social, cultural, civic and political participation.

Against the first policy priority, we celebrated several significant cultural events including National Reconciliation Week. We are currently hosting a trainee on a 12-month, full-time placement through the Solid Futures Aboriginal traineeship program, and have committed our continuing support to the program.

Against the second policy priority, we provided mandatory cultural awareness training for our staff. This training helped staff increase their awareness and knowledge of culturally and linguistically diverse (CALD) and Aboriginal and Torres Strait Islander peoples to enable them to perform their duties in a culturally informed way.

Against the third policy priority, we advertised our Level 5 Executive Officer and Level 9 Deputy Inspector positions encouraging people from culturally diverse backgrounds to apply.

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 two trained Health and Safety Representatives (HSR) who ensure there is always an open line of communication with staff to discuss occupational safety, health and injury matters.

The Office is mindful of ensuring the safety and wellbeing of staff during inspections of facilities. Staff wear face masks and exercise personal hygiene precautions if there is an outbreak of influenza or COVID-19. All operational staff will be attending a defensive driving course as they are required to travel by vehicle to facilities.

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 and Independent Visitors receive an induction to ensure they can operate in a safe and secure manner. Further, our staff and Independent Visitors are required to work in pairs when in a custodial facility. Where this is not possible, a risk assessment is performed, and additional controls may be put in place to mitigate any safety concerns.

Most members of the Senior Management Team have attended Work Health and Safety training, and Work Health and Safety is a standing agenda item for Senior Management Team meetings.

The Office is committed to a safe and healthy workplace in line with the Government's vision for the sector.

ANNUAL PERFORMANCE

MEASURES	2020-21	2021-22	2022-23	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	100	80	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 advice
- ❖ using paperless expense management system including scanned receipts
- ❖ using biodegradable bin liners
- ❖ ordering a replacement vehicle with Hybrid technology
- ❖ collecting and separating small hard plastic items (for example, bottle lids)
- ❖ collecting and returning used batteries
- ❖ using co-mingled recycling services
- ❖ using bio-degradable plant milk cartons.

PART THREE

This section contains the following:

- ❖ Independent Auditor's Report
- ❖ Performance Management Framework
- ❖ Financial Statements



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023

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 (the Office) which comprise:

- the Statement of Financial Position at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows 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 2023 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.

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7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8469 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 misstatements, 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.augasb.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 the State's financial reporting framework (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 the State's financial reporting framework during the year ended 30 June 2023.

The Inspector of Custodial Services' 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.

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 Engagement 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 2023. 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 2023.

The Inspector of Custodial Services' 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 controls 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 Instructions 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 management relating to the report on financial statements, 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management 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 2023, 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 my 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

The 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 2023 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
19 September 2023

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 Services' performance, and fairly represent the performance of the Office for the reporting period ended 30 June 2023.



Eamon Ryan
19 September 2023

Shared responsibilities with other agencies

The Office did not deliver services jointly with any other agency in 2022/23.

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: Supporting our local and regional communities to thrive.

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
2019-20	100	57	80%	77%
2020-21	100	91	80%	87%
2021-22	100	130	80%	70%
2022-23	100	91	80%	78%

1.1 Number of recommendations made

This KPI represents the number of recommendations made in inspection and review reports tabled during the year and the cyclical variations arising from the mandated three-year cycle of inspections. 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. The number of recommendations is below target from the nine reports published.

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 78 per cent of recommendations were accepted. 20 of the 91 recommendations were not supported (16) or noted (4). The other recommendations were either supported, supported current practice or supported in principle.

Supported as current practice 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.

Supported in Principle refers to when the Department supports the principle of the recommendation, however there are practical impediments to its implementation. For example, a recommendation may require research, additional resources (human, financial and physical), and cooperation from external stakeholders.

2.0 KEY EFFICIENCY INDICATORS

Key Efficiency Indicators ¹	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Target 2022/23
Reports	8	8	11	9	9
2.1 Average cost per Report ² (\$)	323,414	341,243	265,862	283,548	245,000
Liaison visits	63	64	55	78	60
2.2 Average cost per liaison visit (\$)	8,706	8,437	10,429	8,547	10,000
Independent visitors' service report	99	97	142	163	150
2.3 Average cost per independent visitors' service report (\$)	2,453	2,986	1,714	3,713	2,000

2.1 Average cost per report

The number of reports is on target. 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 three reports but is not subject to a mandated review cycle. 2022/23 is a year where we have met our target, but it is two less reports than last year. The actual average cost per report is higher than the target average cost per report because the total cost of services for the year was higher than the budgeted amount.

2.2 Average cost per liaison visit

The number of liaison visit reports exceeds the target this year due to additional liaison visits conducted (25) at the troubled Banksia Hill Detention Centre and Unit 18 at Casuarina Prison. The average cost per liaison visit is therefore below target due to these additional reports. 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

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.



and Banksia Hill) and three visits occurring at the remaining prisons. Each work camp and court custody centre receives at least one visit between the three-year inspections.

2.3 Average cost per independent visitor's service report

The number of independent visit (IV) reports is higher than the target and has jumped for the second year in a row from previous annual results. This is due to an increase in volunteers' interest in visiting each custodial facility or services. However, the average cost per Independent Visitor Report has increased significantly. This is due to a more accurate system of estimating staff time spent on independent visitor activities. The target of 150 independent visitor reports is based on each prison (17) and detention centre receiving at least eight visits annually.



Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements for the Reporting Period ended 30 June 2023

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 2023 and the financial position as at 30 June 2023.

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 2023

The Office has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2023 which provides users with the information about the Office's stewardship of resources entrusted to it. The financial information is presented in the following structure.

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OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
Cost of Services			
Expenses			
Employee benefits expenses	2.1	2,574,057	2,426,853
Supplies and services	2.2	815,894	914,787
Depreciation and impairment expense	4.1	10,818	8,750
Accommodation expenses	2.2	347,688	318,796
Finance costs	6.3	97	362
Other expenses	2.2	75,300	67,008
Total Cost of Services		3,823,854	3,736,556
Income			
Revenue			
Other revenue	3.2	152,485	4,927
Total Income		152,485	4,927
NET COST OF SERVICES		3,671,369	3,731,629
Income from State Government			
Service appropriation	3.1	3,788,000	3,602,000
Resources received	3.1	16,242	72,724
Total Income from State Government		3,804,242	3,674,724
SURPLUS/(DEFICIT) FOR THE PERIOD		132,873	(56,905)
OTHER COMPREHENSIVE INCOME			
Total other comprehensive income			
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		132,873	(56,905)



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 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6.4	595,166	418,801
Receivables	5.1	184,416	39,524
Other current assets	5.3	2,818	43,545
Total Current Assets		782,400	501,870
Non-Current Assets			
Restricted cash and cash equivalents	6.4	56,000	48,000
Amounts receivable for services	5.2	913,000	885,000
Right-of-use assets	4.1	2,249	6,746
Total Non-Current Assets		971,249	939,746
TOTAL ASSETS		1,753,649	1,441,616
LIABILITIES			
Current Liabilities			
Payables	5.4	391,565	150,170
Employee related provisions	2.1(b)	519,326	607,895
Lease liabilities	6.1	2,425	4,625
Total Current Liabilities		913,316	762,690
Non-Current Liabilities			
Employee related provisions	2.1(b)	135,760	104,875
Lease liabilities	6.1	-	2,351
Total Non-Current Liabilities		135,760	107,226
TOTAL LIABILITIES		1,049,076	869,916
NET ASSETS		704,573	571,700
EQUITY			
Contributed equity	8.5	964,000	964,000
Accumulated deficit	8.5	(259,427)	(392,300)
TOTAL EQUITY		704,573	571,700



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 2023

	Notes	Contributed Equity \$	Accumulated Surplus/ (Deficit) \$	Total Equity/ (Deficit) \$
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
Balance at 1 July 2022		964,000	(392,300)	571,700
Surplus		-	132,873	132,873
Total comprehensive income for the period		-	132,873	132,873
Transactions with owners in their capacity as owners:				
- Capital contributions	8.5	-	-	-
Total		-	-	-
Balance at 30 June 2023		964,000	(259,427)	704,573

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 2023

	Notes	2023 \$	2022 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations		3,760,000	3,358,000
Capital contributions		-	236,000
Net cash provided by State Government		3,760,000	3,594,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(2,380,658)	(2,337,292)
Supplies and services		(795,226)	(865,566)
Accommodation		(320,251)	(319,340)
Finance costs		(97)	(362)
Other payments		(81,621)	(68,104)
GST payments on purchases		(121,640)	(133,630)
Receipts			
GST receipts on sales		798	619
GST receipts from taxation authority		119,852	124,954
Other receipts		7,759	4,967
Net cash used in operating activities		(3,571,084)	(3,593,754)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(4,551)	(7,688)
Net cash used in financing activities		(4,551)	(7,688)
Net increase in cash and cash equivalents		184,365	(7,442)
Cash and cash equivalents at the beginning of the period		466,801	474,243
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.4	651,166	466,801

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 2023**

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 19 September 2023.

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 2023**

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 2023

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	2023 \$	2022 \$
Employee benefits expenses	2.1(a)	2,574,057	2,426,853
Employee related provisions	2.1(b)	655,086	712,770
Other expenditure	2.2	1,238,882	1,300,591

2.1 (a) Employee benefits expenses

Employee benefits	2,305,556	2,165,109
Superannuation — defined contribution plans	225,335	214,542
Other related expenses	43,166	47,202
Total employee benefits expenses	2,574,057	2,426,853
Add:		
- AASB 16 Non-monetary benefits	10,818	8,750
Less:		
- Employee contributions	(7,777)	(4,927)
Total employee benefits provided	2,577,098	2,430,676

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 2023

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.

	2023 \$	2022 \$
Current		
<u>Employee Benefits Provisions</u>		
Annual leave	224,108	257,362
Long service leave	292,636	347,509
	<u>516,744</u>	<u>604,871</u>
<u>Other Provisions</u>		
Employment on-costs	2,852	3,024
Total current employee related provisions	519,328	607,895
Non-Current		
<u>Employee Benefits Provisions</u>		
Long service leave	135,084	104,353
<u>Other Provisions</u>		
Employment on-costs	676	522
Total non-current employee related provisions	135,760	104,875
Total employee related provisions	655,086	712,770

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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.

	2023 \$	2022 \$
- Employment On-Costs Provision		
Carrying amount at start of period	3,546	3,192
Additional/(reversal of) provisions recognised	(287)	354
Unwinding of the discount	-	-
Carrying amount at end of period	3,259	3,546

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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.

	2023 \$	2022 \$
2.2 Other expenditure		
<u>Supplies and services</u>		
Communications	33,123	31,373
Consultants and contractors (a)	551,278	615,695
Consumables	30,193	49,341
Materials	43,292	58,687
Lease, rent and hire costs	22,033	22,738
Travel	85,710	88,143
Other	50,265	48,810
Total supplies and services expenses	815,894	914,787
(a) Consultants and contractors consist of:		
Computing and IT services	194,155	237,362
Temporary personnel	165,499	144,072
Professional services finance	97,393	77,465
Professional services other	34,388	110,863
Other	59,883	45,933
Total consultants and contractors	551,278	615,695

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2.2 Other expenditure (Continued)	2023 \$	2022 \$
<u>Accommodation expenses</u>		
Rentals	347,688	318,796
Total accommodation expenses	347,688	318,796
<u>Other expenses</u>		
Audit fees (a)	75,300	67,008
Total other expenses	75,300	67,008
Total other expenditure	1,238,882	1,300,591

(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.
3. Variable lease payments are recognized in the period in which the event or conditions that trigger those payments occur.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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	2023 \$	2022 \$
Income from State Government	3.1	3,804,242	3,674,724
Other revenue	3.2	152,485	4,927

3.1 INCOME FROM STATE GOVERNMENT

Appropriation received during the period:

- Service appropriation	3,788,000	3,602,000
Total service appropriation	3,788,000	3,602,000

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

	16,242	72,724
Total resources received	16,242	72,724

Total income from State Government

3,804,242 3,674,724

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 2023

Summary of Consolidated Account Appropriations

	2023 Budget Estimate \$	2023 Supplementary Funding \$	2023 Revised Budget \$	2023 Actual \$	2023 Variance \$
Delivery of Services					
Item 71 net amount appropriated to deliver services	3,426,000	112,000	3,538,000	3,538,000	-
Amount Authorised by Other Statutes					
Salaries and allowances Act 1975	250,000	-	250,000	250,000	-
Total Appropriations Provided to Deliver Services	3,676,000	112,000	3,788,000	3,788,000	
Capital					
Item 158 capital appropriations	-	-	-	-	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	3,676,000	112,000	3,788,000	3,788,000	-

3.2 OTHER REVENUE

	2023 \$	2022 \$
Employee contributions	7,777	4,927
Recouped payroll revenue	144,528	-
Sundry Debtors	180	-
	<u>152,485</u>	<u>4,927</u>

- (a) Recouped payroll revenue arises from the accrual of a payroll expenditure incurred by the Office for an employee seconded to the Public Sector Commission, which will be reimbursed to the Office.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

4. KEY ASSETS

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	2023 \$	2022 \$
Right-of-use assets	4.1	2,249	6,746
Total key assets		<u>2,249</u>	<u>6,746</u>

4.1 RIGHT-OF-USE-ASSETS

Right-of-use assets	Vehicles	Vehicles
Carrying amount at beginning of period	6,746	14,410
Additions	6,321	1,086
Depreciation	(10,818)	(8,750)
Net carrying amount as at end of period	<u>2,249</u>	<u>6,746</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.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 2023

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	2023 \$	2022 \$
Receivables	5.1	184,416	39,524
Amounts receivable for services	5.2	913,000	885,000
Other current assets	5.3	2,818	43,545
Payables	5.4	391,565	150,170

5.1 RECEIVABLES

Current

Accrued Revenue		144,726	-
GST receivable		39,690	39,524
Total Current		184,416	39,524
Total receivables at the end of the period		184,416	39,524

Accrued revenue relates to amounts receivable from Public Sector Commission, relating to salaries receivable from Public Sector Commission for the secondment of the former deputy inspector that has not been received or invoiced as at year end.

5.2 AMOUNTS RECEIVABLE FOR SERVICES (HOLDING ACCOUNT)

Non-Current		913,000	885,000
Total Amounts receivable for services at end of period		913,000	885,000

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 2023

	2023 \$	2022 \$
5.3 OTHER CURRENT ASSETS		
Prepayments	2,818	43,545
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	24,882	38,931
Accrued expenses	194,271	65,264
Accrued salaries	162,493	40,000
FBT payable	3,551	5,975
Super Other	6,368	-
Total payables at end of period	391,565	150,170

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. A portion of the accrued salaries relates to amounts owed to Department of Justice for an employee seconded to OICS. 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 2023

6. FINANCING

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

	Notes	2023 \$	2022 \$
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	2023 \$	2022 \$
No later than one year		2,425	4,625
Later than one year and no later than 5 years		-	2,351
Later than 5 years		-	-
		<u>2,425</u>	<u>6,976</u>
Current		2,425	4,625
Non-current		-	2,351
		<u>2,425</u>	<u>6,976</u>

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 2023

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

The carrying amounts of non-current assets pledged as security are:	2023 \$	2022 \$
Right-of-use asset vehicles	2,249	6,746
Total assets pledged as security	2,249	6,746

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	97	362
Total finance costs expended	97	362

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 2023

6.4 CASH AND CASH EQUIVALENTS	Notes	2023 \$	2022 \$
Cash and cash equivalents		595,166	418,801
Restricted cash and cash equivalents		56,000	48,000
Balance at end of period		<u>651,166</u>	<u>466,801</u>
<u>Restricted cash and cash equivalents</u>			
Non-Current			
Accrued salaries suspense account (a)		<u>56,000</u>	<u>48,000</u>

(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 2023

7. FINANCIAL INSTRUMENTS AND CONTINGENCIES

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

7.1 FINANCIAL INSTRUMENTS

	Notes	2023 \$	2022 \$
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		651,166	466,801
Financial assets at amortised cost	(a)	1,057,726	885,000
Total financial assets		1,708,892	1,351,801
<u>Financial liabilities</u>			
Financial liabilities at amortised cost	(b)	384,071	151,172
Total financial liabilities		384,071	151,172

(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 2023.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8. OTHER DISCLOSURES

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

	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:

	2023	2022
Compensation Bands (\$)		
0 - 50,000	-	-
50,001 - 100,000	-	-
100,001 - 150,000	-	-
150,001 - 200,000	-	-
200,001 - 250,000	1	1
250,001 - 300,000	1	-
300,001 - 350,000	-	1
Total compensation of senior officers	495,032	521,060

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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

	2023	2022
	\$	\$

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

Auditing the accounts, financial statements, controls and key performance indicators	47,500	42,300
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OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8.5 EQUITY

	2023	2022
	\$	\$

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	964,000	728,000
<u>Contributions by owners</u>		
- Capital appropriation	-	236,000
Total contributions by owners	-	236,000
Balance at the end of period	964,000	964,000

Accumulated Deficit

Balance at start of period	(392,300)	(335,395)
Surplus / (Deficit) for the period	132,873	(56,905)
Balance at end of period	(259,427)	(392,300)

Total Equity at End of Period

	704,573	571,700
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8.6 SUPPLEMENTARY FINANCIAL INFORMATION

The Office did not have any bad debts in the years ended 30 June 2023 and 2022. 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 2023 and 2022.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 2023 and between the actual results for 2023 and 2022 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 2023	Actual 2023	Actual 2022	Variance Between Actual And Estimate	Variance Between Actual Results for 2023 and 2022
Employee benefits expense	2,560,000	2,574,057	2,426,853	14,057	147,204
Supplies and services	(a) (d) 503,000	815,894	914,787	312,894	(98,893)
Depreciation and impairment expense	8,000	10,818	8,750	2,818	2,068
Accommodation expenses	337,000	347,688	318,796	10,688	28,892
Finance costs	1,000	97	362	(903)	(265)
Other expenses	(a) 354,000	75,300	67,008	(276,700)	8,292
Total Cost of Services	3,763,000	3,823,854	3,736,556	60,854	87,298
Income					
Revenue					
Other revenue	(b)(e) 5,000	152,485	4,927	147,485	147,558
Total Income	5,000	152,485	4,927	147,485	147,558
Total income other than income from State Government	5,000	152,485	4,927	147,485	147,558
NET COST OF SERVICES	3,758,000	3,671,369	3,731,629	(86,631)	(60,260)
Income from State Government					
Service appropriation	3,676,000	3,788,000	3,602,000	112,000	186,000
Resources received	(c)(f) 88,000	16,242	72,724	(71,758)	(56,482)
Total Income from State Government	3,764,000	3,804,242	3,674,724	40,242	129,518
SURPLUS/(DEFICIT) FOR THE PERIOD	6,000	132,873	(56,905)	126,873	189,778
Total other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,000	132,873	(56,905)	126,873	189,778

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8.7 EXPLANATORY STATEMENT (Continued)

8.7.1 Statement of Comprehensive Income Variances (Continued)

Major Estimate and Actual (2023) 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 variance in other revenue arises from the accrual of a payroll expenditure incurred by the Office for an employee seconded to the Public Sector Commission, which will be reimbursed to the Office.
- (c) The variance in resources received is due to a substantial reduction in resources received free of charge from the Department of Finance and State Solicitor's Office.

Major Actual (2023) and Comparative (2022) Variance Narratives

- (d) The Office incurred additional costs in 2022 to employ temporary personnel to deliver its services.
- (e) The variance in other revenue arises from the accrual of a payroll expenditure incurred by the Office for an employee seconded to the Public Sector Commission, which will be reimbursed to the Office.
- (f) The variance in resources received is due to a substantial reduction in resources received free of charge from the Department of Finance and State Solicitor's Office.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8.7 EXPLANATORY STATEMENT (Continued)

8.7.2 Statement of Financial Position Variances

	Estimate 2023	Actual 2023	Actual 2022	Variance Between Actual And Estimate	Variance Between Actual Results for 2023 and 2022
ASSETS	\$	\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	434,000	595,166	418,801	161,166	176,365
Receivables	35,000	184,416	39,524	149,416	144,892
Amounts receivable for services	1,000	-	-	(1,000)	-
Other current assets	(a) (g)	27,000	43,545	(24,182)	(40,727)
Total Current Assets	497,000	782,400	501,870	285,400	280,530
Non-Current Assets					
Restricted cash and cash equivalents	22,000	56,000	48,000	34,000	8,000
Amounts receivable for services	912,000	913,000	885,000	1,000	28,000
Plant and equipment	(b)	21,000	-	(21,000)	-
Right-of-use assets	-	2,249	6,746	2,249	(4,497)
Total Non-Current Assets	955,000	971,249	939,746	16,249	31,503
TOTAL ASSETS	1,452,000	1,753,649	1,441,616	301,649	312,033
LIABILITIES					
Current Liabilities					
Payables	71,000	385,196	150,170	314,196	235,026
Employee related provisions	(c) (h)	601,000	519,326	607,895	(81,674)
Other current liabilities	(d)	46,000	6,369	-	(39,631)
Lease liabilities		7,000	2,425	4,625	(4,575)
Total Current Liabilities	725,000	913,316	762,690	188,316	150,626
Non-Current Liabilities					
Employee related provisions	(e) (i)	72,000	135,760	104,875	63,760
Lease liabilities	(f)	15,000	-	2,351	(15,000)
Total Non-Current Liabilities	87,000	135,760	107,226	48,760	28,534
TOTAL LIABILITIES	812,000	1,049,076	869,916	237,076	179,160
NET ASSETS	640,000	704,573	571,700	64,573	132,873
EQUITY					
Contributed equity	964,000	964,000	964,000	-	-
Accumulated deficit	(324,000)	(259,427)	(392,300)	64,573	132,873
TOTAL EQUITY/(DEFICIT)	640,000	704,573	571,700	64,573	132,873

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8.7 EXPLANATORY STATEMENT (Continued)

8.7.2 Statement of Financial Position Variances (Continued)

Major Estimate and Actual (2023) Variance Narratives

- (a) The variance in other assets is due primarily to the reduction of expenses being prepaid in 2023.
- (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 decreased this year relative to budget primarily due to an increase in leave being taken during 2023 compared with 2022 and a reduction in leave entitlements relating to a staff member which transferred to the Public Sector Commission in May 2023.
- (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) Long service leave provisions have increased this year as employees elected not to take long service leave.
- (f) 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 (2023) and Comparative (2022) Variance Narratives

- (g) Other assets for 2022 included rent prepaid which was not prepaid in 2023.
- (h) Both annual leave and long service leave provisions decreased this year relative to budget primarily due to an increase in leave being taken during 2023 compared with 2022 and a reduction in leave entitlements relating to a staff member which transferred to the Public Sector Commission in May 2023.
- (i) Long service leave provisions have increased this year as employees elected not to take long service leave.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8.7 EXPLANATORY STATEMENT (Continued)

8.7.3 Statement of Cash Flows Variances

	Estimate 2023	Actual 2023	Actual 2022	Variance Between Actual And Estimate	Variance Between Actual Results for 2023 and 2022
Statement of Cash Flows	\$	\$	\$	\$	\$
CASH FLOWS FROM STATE GOVERNMENT					
Service appropriation	3,648,000	3,760,000	3,358,000	112,000	402,000
Capital contributions	-	-	236,000	-	(236,000)
Net cash provided by State Government	3,648,000	3,760,000	3,594,000	112,000	166,000
CASH FLOWS FROM OPERATION ACTIVITIES					
Payments					
Employee benefits	(2,560,000)	(2,380,656)	(2,337,292)	179,342	(43,366)
Supplies and services	(a) (c) (411,000)	(795,225)	(665,566)	(384,225)	70,341
Accommodation	(337,000)	(320,251)	(319,340)	16,749	(911)
Other payments	(a) (355,000)	(81,621)	(68,103)	273,379	(13,518)
Finance Costs	(1,000)	(97)	(362)	903	265
GST payments on purchases	(b) (42,000)	(121,640)	(133,630)	(79,640)	11,990
Receipts					
GST receipts on sales	-	798	619	798	179
GST receipts from taxation authority	(b) 42,000	119,852	124,954	77,852	(5,102)
Other receipts	5,000	7,759	4,967	2,759	2,792
Net Cash Provided by/(Used in) Operating Activities	(3,659,000)	(3,571,083)	(3,593,753)	87,917	22,670
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments					
Principal elements of lease payments	(8,000)	(4,551)	(7,688)	3,449	3,137
Net Cash Provided by/(Used in) Financing Activities	(8,000)	(4,551)	(7,688)	3,449	3,137
Net increase/(decrease) in cash and cash equivalents	(19,000)	184,366	(7,441)	203,366	191,807
Cash and cash equivalents at the beginning of the period	475,000	466,801	474,243	(8,199)	(7,442)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	456,000	651,167	466,802	195,167	184,385

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8.7 EXPLANATORY STATEMENT (Continued)

8.7.3 Statement of Cash Flows Variances (Continued)

Major Estimate and Actual (2023) 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 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 (2023) and Comparative (2022) Variance Narratives

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

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INSPECTION OF PRISONS, COURT CUSTODY
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