



OFFICE OF THE INSPECTOR
OF CUSTODIAL SERVICES

Annual Report

2000 - 2001

*providing the people of Western Australia with an
independent and effective prison inspection and review service
which is fair and just*



OFFICE OF THE INSPECTOR
OF CUSTODIAL SERVICES

WESTERN AUSTRALIA

RESPONSIBLE MINISTER

Minister for Justice
The Hon. Jim McGinty, MLA

ACCOUNTABLE AUTHORITY

The Office of the Inspector of Custodial Services

ACCESS

Level 27, Governor Stirling Tower
197 St George's Terrace
PERTH WA 6000

CONTACT

Telephone: (08) 9212 6200
Facsimile: (08) 9226 4616
Email: corporate@custodialinspector.wa.gov.au
Web: www.custodialinspector.wa.gov.au

ABOUT THIS REPORT

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

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



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

CONTENTS

PART 1 – THE WORK AND RESPONSIBILITIES OF THE OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES

1. Establishing the Office, consulting with stakeholders, and commencing operations	2
2. Statutory functions, powers and obligations	3
3. The Methodology of Inspections	4
4. Reporting processes and the opportunity to reply	5
5. Tabling Reports and Parliamentary scrutiny	6
6. Continuous inspection and liaison visits	6
7. The applicable standards	8
8. Accreditation	8
9. Staffing and secondment arrangements	9
10. External experts	10
11. Prison Inspections for 2001/2002; foreshadowing the 2002/2003 program	10
12. Thematic Reviews	12
13. Other Inspection Responsibilities: Prisoner Transport and Court Custody	12
14. Summary of 2001/2002 work in terms of statutory outputs	12
15. The Office's evolving role and functions	13
16. The Official Prison Visitors Scheme	16
17. The state of the Department of Justice: the big issues	16
18. Departmental achievements	20
19. The advent of the Office of the Inspector of Custodial Services upon the correctional scene	21

PART 2 – CORPORATE MATTERS

i. Corporate Ethos	22
ii. Internal Structure	23
iii. Statement of Compliance with Relevant Written Law	24
iv. Public Sector Standards	25
v. Accountability Issues	26
vi. Performance Indicators	28
vii. Financial Statements	32

PART ONE

THE WORK AND RESPONSIBILITIES OF THE OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES

1. ESTABLISHING THE OFFICE, CONSULTING WITH STAKEHOLDERS, AND COMMENCING OPERATIONS

In 1997, the then Government of Western Australia commenced the complex process of contracting out various justice support and prison administration functions to the private sector. In the face of adamant resistance from the then Opposition, the enabling legislation could only be passed in the Legislative Council with support from one of the minor parties. The price of that support – from the Australian Democrats – was a commitment to establish a mechanism for independent external scrutiny not just of the services being privatised but also of the public sector prisons. Thus it was that the legislation, passed in December 1999, provided for the establishment of the Office of the Inspector of Custodial Services.

Pursuant to a mandatory time limit, the Office was set up in June 2000. The Inspector commenced duty on 1st August 2000. The 1999/2000 Annual Report, covering the period until 30th June 2000, focused mainly on formal matters, with coverage of the substantive business carried out by the Office necessarily very limited.

The first six months of operation were very much involved with establishment processes and routines. Premises were found and a lease negotiated; the budget (previously set at a notional level) was amended to take account of staffing levels necessary for the statutory functions to be carried out; office equipment was purchased and installed; computer systems were set up; staff positions were classified and advertised; interviews held and appointments made. In effect, the Office became operational as from late January 2001, with the core staff available and systems in place.

Meanwhile, the Inspector had been liaising with key stakeholders. Naturally, the Minister and his key Department of Justice (formerly known as the Ministry of Justice) officials were prominent in this, as were those (the Ombudsman, the Director of Public Prosecutions and the Chair of the Anti-Corruption Commission) with whom consultation is statutorily required under section 109O of the Prisons Act 1981. No less important, however, was a broad range of other stakeholders such as the Chief Justice, the Chief Judge of the District Court, the Auditor General, the Chairman and members of the Parole Board, the Commissioner for Health, the State Coroner, the Commander of the Police Prisons Unit, the head of the Department's own Internal Investigation Unit, the Opposition spokesman and various other Parliamentarians, the Commissioner for Equal Opportunity, the Director of the Office of Health Review, the Chair of the Aboriginal Justice Council, the A.T.S.I.C. Commissioner responsible for national Law and Justice policy, the Director of the Aboriginal Legal Service, the senior managers of AIMS Corporation (operators of Acacia Prison and of the Court Security and Custodial Services Contract), and the CEOs of the Department of Education and of the Department of Training and Employment.

What this list (which is not all-inclusive) graphically demonstrates is the sheer complexity of the imprisonment task – how many activities intersect with it at some point, how wide a range of professional personnel are legitimate stakeholders, and thus what an enormous community responsibility it is to do it well.

PART ONE

Of course, no less important in their different ways are the unofficial stakeholders – NGOs, activists, welfare groups and so on. An early decision was made to establish a community consultative council to represent these groups, so that they would have an input into the Office's operations and the Office would have a source of grass-roots feedback. Contact was made with relevant persons during this set-up period, so that the Council's inaugural meeting could be called soon after the Office became effectively operational.

2. STATUTORY FUNCTIONS, POWERS AND OBLIGATIONS

The Office was set up to bring independent external scrutiny to the standards and operational practices in adult prisons (public and private) and to some other custodial services, particularly prisoner transportation and court custody centres. This function will primarily be carried out by way of inspections of the relevant premises or services or by way of thematic review, i.e. assessments of system-wide issues. In the case of inspections, these may either be announced or unannounced. The Inspector has the autonomous authority to decide what inspections shall be done, in what order, and by what process. However, the Prisons Act also provides that the Minister may direct the Inspector to inspect a prison or review a prison service.

The Office possesses adequate statutory powers to carry out these tasks. The Inspector or any person authorised by him may enter a prison at any time, carry into that prison and use any equipment that he/she considers necessary, interview any prisoner or staff member, have access to relevant vehicles, and require production of any documents relating to a prison or a prison service. It is a criminal offence to hinder or resist the Inspector or persons authorised by him. It is also an offence to deliberately mislead the Inspector or authorised persons or to victimise or threaten any person who has assisted or may assist them.

The Inspector is required by statute to list in the Annual Report the prisons that he proposes to inspect in the period up to the next 30th June. In the 1999/2000 Report, it was stated that Riverbank and Karnet Prisons would be inspected in the year ending 30th June 2001. The Report also foreshadowed that six prisons would be inspected between that date and 30th June 2002, and these were provisionally listed. One amendment has subsequently been made, as will be explained later.

In the event, the on-site elements of four inspections were carried out during the year and reports completed in relation to two of them. In addition to the two prison inspections that had been announced in the 1999/2000 Annual Report, the Office also inspected the area known as the Induction and Orientation Unit (IOU) and Special Handling Unit (SHU) of Casuarina Prison, as well as Broome Regional Prison. Reports relating to Riverbank and the Casuarina IOU/SHU inspection were completed during the year, whilst reports in relation to the other two on-site inspections were still in preparation as at 30th June 2001.

The Casuarina IOU/SHU inspection was carried out by direction of the then Minister. He had been concerned at reports brought to his attention as to possible improprieties by staff in their treatment of prisoners and complaints as to custodial conditions, and required independent information and advice on these matters. By its very nature – inspecting a prison within a prison to

PART ONE

ascertain whether there was systemic misconduct – the inspection had to be an unannounced one.

The inspection took place over two days in early December 2000, i.e. before the Office was fully staffed or operational. Consequently, external experts had to be used to assist the Inspector. This, incidentally, highlighted a conceptual strength of the 1999 statutory provisions – that the Inspector may authorise any person (not merely employees of his Office) for the purposes of his functions under the Act. This provision – already widely utilised – enables specialist skills to be brought in as required. The inspection team consisted of five persons – the Inspector, the Director of Operations of the Office (the only officer with substantive subject matter knowledge at that time) and three consultants.

3. THE METHODOLOGY OF INSPECTIONS

The IOU/SHU inspection gave the Office an opportunity to field-test and develop its methodology. It was crucial that both prisoners and officers should be treated as an important resource. The information they each can bring to the actual operation and conditions of a prison regime is unique. Accordingly, questionnaires had been developed for officers to answer (voluntarily and confidentially). This had also been done for prisoners; however, it was also recognised that focus group discussions would be necessary, to overcome problems in English literacy for some Aboriginal prisoners and distrust as to confidentiality for prisoners generally. This approach was successful; the information obtained was integral to interpretation of the other observations.

The team divided up other responsibilities by area of concern – food, hygiene, education, work opportunities, recreation, visits, health services, prisoner movements within and beyond the Unit, discipline, security, case management, record-keeping in relation to incidents and so on. Often an issue required clarification or cross-checking against documentation. Part of the modus operandi accordingly involved using the services of a prison liaison officer nominated by the Superintendent to find and explain this material to the team's satisfaction.

At fairly frequent intervals over the inspection period, the individual team members came together to discuss their findings to that point, to identify further issues and to update outstanding tasks. The final such meeting discussed and refined the terms of the de-brief that would be offered to senior management. The de-brief – a provisional list of findings and the reasoning behind them – was integral to the methodology, for it epitomised the notion that the Department could begin to think about and respond to major issues immediately, long before the process of report writing, comment, revision and tabling before Parliament could be completed. The Office's objective is to contribute in a timely manner to the process of change and improvement – not to “keep one's powder dry” so as to “score” more damaging points further down the track. This is very important, and ties in with the Office's notion of “continuous inspection”, to be described later.

The above methodology has subsequently been modified and improved somewhat, but remains to this point the basic approach that has been followed. It is proving to be robust, capable of coping with short and tightly-focused inspections, long multi-purpose ones, announced inspections and unannounced inspections.

PART ONE

Not only local prison senior management but also appropriate Head Office personnel attend debriefs. In the case of the IOU/SHU inspection, the General Manager Prison Services attended – indicative of the seriousness with which the Ministry of Justice has from the outset treated inspections. Indeed, it should be recorded at this point that the response of prison management and other personnel to the Inspectorate has been impeccably professional and that Head Office personnel have likewise been co-operative and helpful. It does appear that there has been early recognition that the process of inspection, whilst in some ways intimidating, actually offers the Department an opportunity to identify key issues, improve services and enhance job satisfaction.

4. REPORTING PROCESSES AND THE OPPORTUNITY TO REPLY

The Inspector is required to submit a draft inspection report to the Department or to any person in relation to whom a critical comment is made, so that they have an opportunity to make submissions, either orally or in writing, about any such criticism. The Prisons Act does not lay down requirements as to how such submissions should be handled.

The IOU/SHU report inevitably contained criticisms. The Department's submission was, in parts, rather defensive in tone. This was a blessing in disguise for it compelled the Inspector to confront from the outset what philosophy would govern his own response to such submissions. The published Report stated this philosophy as follows:

'Any factual errors that were brought to our attention were corrected in the text. Changes to processes introduced by the Department since our inspection have been noted either in the text or as footnotes. Disagreements as to interpretations have been considered but mostly not adopted. Often these disagreements arose out of the fact that the Department was inclined to dismiss out of hand any prisoner testimony with which it did not agree. This simplistic approach to fact-finding is a luxury that a properly functioning Inspectorate cannot afford. Difficult as it is, recognising that we will be subjected to special pleading and attempted manipulation as we go about our task, we have endeavoured to assess what we have been told in the light of the surrounding contextual information.'

This statement is a key tenet of the Office's approach to its tasks.

No less important is the decision to try to keep away from mere operational matters in formulating recommendations. The objective is to be more strategic. Of course, the line between the operational and the strategic is a fuzzy one; they intersect and interact. Nevertheless, the distinction is meaningful in that it emphasises that the ephemeral is less important than the systemic, the inputs than the outputs, and the processes than the outcomes. This was expressed in the IOU/SHU Report as follows:

'The starting point is that we do not believe that it is the proper role of the Inspectorate to make detailed recommendations about daily operational matters. Obviously in any prison that we inspect, we shall observe things that we ourselves, if we were the managers, would do differently. However, to make recommendations about such matters would be to presume that there is only one correct way of doing things. Manifestly, in day-to-day operations that is not the case. Our inspections are not

PART ONE

compliance audits, but strategic assessments. That being so, we look to the Department to respond in a strategic manner.’

That approach is beginning to take hold. On the Inspectorate’s side, recommendations are fairly limited in number. On the Department’s side, genuine efforts have been made to indicate which recommendations have been accepted and how they will be implemented. That sets the scene for future dialogue, follow-up visits, and the next inspection. It is also far more valuable to the Minister and to Parliament than either an abstract debate, on the one hand, or a series of pedantic “housekeeping” edicts, on the other.

5. TABLING REPORTS AND PARLIAMENTARY SCRUTINY

The statutory requirement is that inspection reports, once finalised following submissions, should be delivered to the Speaker of the Legislative Assembly and the President of the Legislative Council, as well as to the Minister for Justice. The Speaker and the President respectively shall cause the report to be tabled – but not before thirty days have elapsed since they were received, though as soon as practicable thereafter. This machinery ensures that the Inspector, not the Minister or the Department, in effect controls the timing of a report’s becoming public. After tabling, the text of a report becomes accessible on the Office’s website: www.custodialinspector.wa.gov.au

The broader purpose of these provisions is to ensure that the Minister and his Department should have adequate time to consider their response to the Report and not be caught “on the back foot”. This procedure in fact worked well with regard to the Riverbank Prison Report, tabled in August 2001.

In the case of a directed inspection, however, the Inspector does not drive the tabling process. It is for the Minister to decide whether or not to do so and, if so, when. In the event, he tabled the IOU/SHU Report in May 2001.

Once tabled, a report falls within the ambit of the Legislative Assembly Committee on Community Development and Justice (Chair: The Hon. David Templeman MLA). At the time of writing, it remains to be seen precisely how the Committee will decide to exercise its jurisdiction. The Inspector hopes that the Committee will make the whole question of the use of imprisonment in our society a key aspect of its activities and interest. By extension, corrective services generally and the need to “join up” criminal justice system administration and policies, may come to be considered by the Committee. A well-functioning democracy can only be strengthened when Parliament develops its expertise and asserts its right to full information from the participants.

6. CONTINUOUS INSPECTION AND LIAISON VISITS

The Office is avowedly derived from the U.K. model of the Chief Inspector of Prisons. An operational feature of that body that struck the (W.A.) Inspector as a possible weakness is that a prison, once inspected, may not be visited again until the next inspection in the cycle – perhaps five years hence. In other words, the inspection might take place “cold” (apart from documentary and survey information) and the impact might likewise quickly fade away. The only tool apparently

PART ONE

available to the U.K. Chief Inspector to counter this is a short follow-up inspection or, exceptionally, an unannounced inspection. In the Western Australian context, each seemed somewhat blunt instruments from the point of view of bringing about change.

Accordingly, an early decision was made to establish “liaison” arrangements with prisons. Two or more inspection officers were nominated to liaise with each prison. Liaison involves familiarisation visits, getting to know staff and prisoners, clarifying the role and significance of the Inspectorate, identifying problem issues in the prisons, and in the light of these matters advising the Inspector as to the order in which inspections should be carried out and, exceptionally, whether they should be unannounced.

As mentioned above, the provisional list of prisons to be inspected during 2001/2002 has been amended. That list had not included Roebourne Prison. However, the list set out below now includes it, dropping Greenough from the earlier list. The basis of this was a sense, derived from liaison visits, that Roebourne has been under considerable management stress, whilst Greenough is not so problematical.

The observations of the liaison visits to Roebourne that had disturbed the Inspectorate were conveyed to the Department and to the Minister, and it is a pleasure to record that an immediate response was made to some of the worst problems. The notion of “continuous inspection” has thus become a living one. It is being replicated in all the other prisons.

How can this role be reconciled with the Office’s philosophy of not interfering in day-to-day management or operational matters? This is no more difficult, and no easier, than it is with inspections themselves. In the case of Roebourne the big issue was the closure of the dining room, with the consequence that meals were being eaten off the floor. This practice is so egregiously wrong, wherever it occurs, that it goes to broad standards and undermines any correctional strategies the Department might be pursuing. Add to that the fact that this was occurring in a prison whose population is predominantly Aboriginal and an issue of structural racism arises.

With regard to unannounced visits, prior liaison visits also enable the Office to evaluate whether there is a fair and proper basis for proceeding in such a way. For example, the Eastern Goldfields Regional Prison at Kalgoorlie-Boulder was subjected to an unannounced inspection in early August 2001. This was done as a consequence of reports to the Inspector of two separate liaison visits made in the previous two-month period. The decision to proceed this way was certainly a “correct” one. Yet in the absence of such information, only intuitive reactions based upon anecdotal information received through the “grapevine” could have informed such a decision.

Liaison continues after inspections – to check progress, identify any fresh issues that may be emerging and so on. Of course, “problem prisons” will tend to have more liaison visits than stable ones. The philosophy and modus operandi of the Inspectorate is thus that the inspection process, though it is obviously more intensive from place to place and time to time, will never be completely dormant.

PART ONE

7. THE APPLICABLE STANDARDS

The standards against which the Inspectorate makes its judgments are in the course of development. We are acutely aware that accountability requires measurable indicators and criteria. We are also sensitive to the view that human services can only be measured in a quantifiable manner up to a certain point – and that it is after that point is reached that the really important qualitative issues come into play.

The first five prison inspections that the Office has conducted – the IOU/SHU, Riverbank, Karnet, Broome and Eastern Goldfields Prisons – have taken as their backdrop the Department's four "cornerstones" – custody, care and wellbeing, rehabilitation and reparation – and attempted to evaluate each prison's performance in terms of its awareness and achievement of these aims. Of course, the prison's place in the Department's overall planning has a bearing upon which of those cornerstones should be given the greatest weight – a minimum-security "resettlement" prison such as Karnet must be judged according to cornerstone priorities that are different from a medium-security programs prison such as Riverbank or a multi-purpose regional prison for short-term prisoners such as Broome or a high-level custodial regime such as the IOU/SHU.

In other words, there can be no strict comparability across prisons that are meant to be achieving different things. But it should be possible to say whether Prison 'X', to the extent that Cornerstone 'A' is a priority, is doing better or worse than Prison 'Y', for whom Cornerstone 'A' has a different priority, in relation to that criterion. To this point, the Office's methodology has not been finalised. It seems likely that some kind of numerical value will have to be assigned to qualitative assessments to achieve that level of partial comparability. This whole matter will be the subject of intensive in-house discussion and analysis during the 2001/2002 year.

8. ACCREDITATION

The problem of measurement takes one close to the issue of prison accreditation. The provisions of the Prisons Act that created the Office do not, of course, confer any formal authority to grant or withdraw accreditation to Western Australian prisons. Nevertheless, the Office considers that notional accreditation could be a way of sharpening judgments and causing the Department to assign its priorities. The Guidelines for Australian Corrections 1996, in conjunction with the United Nations Standard Minimum Rules for the Treatment of Prisoners and various other international instruments have already identified core standards that prison regimes should meet. At least two W.A. prisons fall so far short of meeting those standards that, if an accreditation system were in place (as with nursing homes, for example), they would be closed down. An alternative perspective is that, if they were being managed by the private sector under contract, the Department would be entitled to terminate the contract forthwith.

Obviously, it is simply not practicable to close down prisons in areas where there are no alternative institutions. Nor would the Department terminate its own operations for non-performance in the way that it might terminate private sector operations. However, for this Office to designate such a prison as below accreditation standard, and to leave that stigma hanging over it until resources and thought are put into its management so as to bring it up to standard, would serve to highlight public

interest issues in a way that, arguably, a discursive report cannot.

A longer-term objective is to try to tie notional accreditation in with national guidelines, so that each state commits itself to such a system. That would enable comparisons to be made across and between states, and supply the conceptual glue to bind the various state components together into an Australian prison system.

9. STAFFING AND SECONDMENT ARRANGEMENTS

In recruiting staff, there were numerous factors to bear in mind and balance. First, expertise should not simply be drawn from former Department of Justice sources. Yet, inevitably, former Justice employees would tend to possess experience and insights that would enhance the Office's understanding of many matters that it was inspecting. Could this source be drawn upon and yet the danger of organisational "capture" (i.e., over-identification with the dilemmas of the inspected organization) be avoided?

Second, related to this, although the Office is above all concerned to evaluate prisoner services and outcomes, a comprehensive understanding of security issues is essential, so as to avoid naïve or superficial commentaries or recommendations. This understanding should extend to being able to offer constructive advice on how to amend static security (fences, grills, locks, etcetera) and improve dynamic security (staff-prisoner interactions, programs, work regimes, etcetera) – all this from the point of view of enhancing prisoner services in the public interest.

Third, it is absolutely essential that an Inspectorate operating over a prison system whose population comprises one-third Aboriginal people should have adequate links from its own workforce into the Aboriginal community. This is only achievable through the employment of suitable Aboriginal staff.

Fourth, it is desirable that the staff gender profile reflects community realities. This is not only for the usual equity reasons but, above all, because female insights into the incarceration standards applied to a predominantly (95%) male prison population are as important as in relation to any other part of society. And, of course, they are crucial in relation to the 5% female incarcerated population – whose conditions have historically been even worse than those applicable to most of the male prisoners.

By and large these staffing objectives have been met – a reasonable achievement in a context where only eight substantive (i.e., non-administrative) positions are available to cover these criteria. The Office is, however, aware that to have only one Aboriginal staff member is less than ideal – prison work, above all, is an area where any suggestion (however unfair) of tokenism must be avoided.

With regard to covering security issues, an arrangement has been made with the Department of Justice that a rolling series of twelve-month secondments will be made to the Office at the Department's salary expense. For its part the Department sees this as providing a career development opportunity for appropriate staff; the range and variety and approach of work done at the Office over that period exceeds anything available in a large Department. The Office, on the other hand, gains judgmental ballast, as well as up-to-date information and experience, thus enhancing the quality of its work and its value to the Department. The loop is mutually beneficial, therefore. The only theoretical drawback might be a lack of objectivity by the seconded officer. However, that has

PART ONE

not been an issue with the initial appointee, and the arrangements for the selection of subsequent secondees are such that it is most unlikely to be a problem in the future. From the Office's point of view, this arrangement has been a great success, and the Inspector places on record his appreciation of this commitment by the CEO and senior personnel of the Department.

10. EXTERNAL EXPERTS

Reference has already been made to the use of external experts in the IOU/SHU inspection. The team was strengthened immeasurably in this way. One expert was the Manager of Barwon Prison in Victoria – a prison that contains a “management unit” equivalent to the IOU/SHU. Another was a security expert with wide experience in prison construction and security systems throughout Australia and the Asia/Indian Ocean Region. The third was a research expert who also brought to the task her considerable understanding of issues relating to Aboriginal offenders.

The Riverbank inspection also required external expertise. There are health and mental health issues with the Riverbank population, so the Office brought in a psychiatrist who is also knowledgeable about public health policy matters. There were also structural, design and security issues, requiring input from an architect and a security consultant.

At Karnet the biggest single issue was the functioning of the prison farm as a farm, and how this tied in with correctional purposes. The Department of Agriculture agreed to make farm experts available to the Office, and their excellent analysis was both used as part of the Office's Report and also included as a stand-alone document by way of an Appendix to the published Report. The Inspector acknowledges the assistance and support of the CEO of the Department in making his team available for this purpose.

At this inspection the Office also utilised for the first time the services of the Department of Health. The Chief Medical Officer kindly made available the services of one of his medically qualified staff. The Inspector is pleased to record that this arrangement seems now to be a semi-permanent one – a recognition by that Department at the highest level of the importance of prisoner health both for its own sake and because of its broader public health ramifications.

In summary, importing external expertise is an established aspect of the Office's processes and has certainly enhanced the quality of services that can be offered. It also minimises the wastage that would occur if persons whose expertise is not continuously required are in the continuous employment of the Office.

11. PRISON INSPECTIONS FOR 2001/2002; FORESHADOWING THE 2002/2003 PROGRAM

The schedule for prison inspections during the current year takes in the following prisons:

- Broome Regional Prison
- Eastern Goldfields Regional Prison
- Roebourne Regional Prison

PART ONE

- Casuarina Prison
- Hakea Prison
- Bandyup Women's Prison.

Follow-up inspections will take place at:

- The IOU/SHU area of Casuarina
- Eastern Goldfields Regional Prison.

The on-site work at Broome actually took place, for logistical reasons, during the final week of the previous financial year. As mentioned, this was also the case with the scheduled Karnet inspection. The inspection at Eastern Goldfields has, at the time of writing this Report, already taken place. It was unannounced. Nevertheless, it was a full inspection. The follow-up at the IOU/SHU area is sufficiently distinct from a general Casuarina inspection that it will be kept separate and done according to a different process. The Bandyup inspection will also involve Nyandi – a minimum-security offshoot of the former. Liaison work has actively been carried out with each of these prisons.

The Office can, of course, add to this list if circumstances require it. If this schedule is adhered to, however, by 30th June 2002 the following prisons will not yet have been inspected:

- Acacia Prison
- Bunbury Regional Prison
- Albany Regional Prison, including Pardelup Prison Farm
- Woorloo Prison
- Greenough Regional Prison.

These will all be inspected during 2002/2003. However, should liaison information or other circumstances suggest that any of these prisons are "failing", an unannounced inspection can, and would, be instituted in 2001/2002.

The Office recognises that special public interest focuses on the performance of Acacia Prison, for it is the only one in this State that is privately-managed. This arrangement was controversial. Liaison arrangements are already strong with this prison, and inspection officers visit frequently. The Department's daily Situation Reports (incident reports and analysis) are regularly checked. Also, the Office is keeping abreast of the Department of Justice's own ongoing monitoring arrangements and periodic reviews. The latter are being carried out at crucial "fill points" as the population moves towards the contracted maximum of 750. The fact that the fill-rate has been set slowly and carefully optimises the chance of successful commissioning and operation, though of course this cannot guarantee success.

PART ONE

The Inspector's view is that it is on balance preferable to allow any new prison – public or private – adequate time to get its systems calibrated and its culture established before carrying out a full inspection. The appropriate role for the Office is to have a “watching brief”. The mechanisms so far adopted should ensure that this brief is informative and effective. However, if at any stage what is seen causes alarm, Acacia like any other prison in the Western Australian system could be the subject of an unannounced inspection.

12. THEMATIC REVIEWS

Prisoner health services were not flagged in the 1999/2000 Annual Report as the likely first thematic review – though it was always contemplated that, if as foreshadowed the conditions, programs and outcomes for Aboriginal prisoners became the subject-matter of the first thematic review, Aboriginal health services would be a prominent aspect of it. However, the early inspections and liaison visits quickly convinced the Inspector that health services for all prisoners, Aboriginal and non-Aboriginal, are of critical importance and have the highest priority.

Despite laudable efforts to inject capital into upgrading health centres, there are profound systemic problems in the present arrangements. Most notably, the custodial culture dominates health issues – attributable not just to a long history of second-rate services and inadequate funding but also to the institutional arrangement that has Prison Health Services working to and subservient to the mainstream Prison Services Directorate of the Department. During the recent Hakea strike, health services personnel walked out with uniformed officers, for they too were members of the Prison Officers Union. That incident epitomised the structural problems.

The issues are too numerous to adumbrate further. Suffice to say that no other Australian State organises its prisoner health services in the way of Western Australia. The thematic review will formally commence in January 2002 – though relevant information is continuously being gathered through the inspection and liaison processes.

13. OTHER INSPECTION RESPONSIBILITIES: PRISONER TRANSPORT AND COURT CUSTODY

The Office also has responsibility under Part V of the Court Security and Custodial Services Act 1999 to inspect court custody centres and transportation services. In the current year an inspection of prisoner transportation arrangements and standards will be completed. The fieldwork component was progressively completed over a four-month period that straddled the financial years.

In addition, a cluster of court custody centres in the Perth Metropolitan area will be inspected. These are: the Supreme Court; the Central Law Courts complex; the May Holman Centre; the AXA Building, the East Perth Court; and the Perth Children's Court. These locations will be the subject of a single consolidated report.

14. SUMMARY OF 2001/2002 WORK IN TERMS OF STATUTORY OUTPUTS

The Office will complete eight prison inspections. Two of these will be follow-up inspections after unannounced initial inspections. The reporting protocols are such that not all of the resultant

PART ONE

Reports will actually be tabled during the year.

It will also commence but not complete a thematic review into prisoner health services.

The prisoner transportation inspection will be completed. An inspection of court custody centres in the internal Perth Metropolitan area will also be carried out.

15. THE OFFICE'S EVOLVING ROLE AND FUNCTIONS

(a) Unannounced inspections

These are turning out to be a more prominent feature of the Office's modus operandi than had originally been anticipated. It is important that this tool should not be over-utilised, however. Otherwise, not only does it lose its potency but also it would be perceived as manifesting unnecessary antagonism towards a Department that, whatever its failings, is certainly doing its best at prison management. Informal feedback suggests that the balance to date is about right.

(b) Liaison visits

This mechanism has been described above. As far as is known, it is unique to this Office, with no comparable inspectorate or accreditation body or regulator following this approach. The Inspector regards the notion of "continuous inspection" as crucially important to the effective discharge of statutory functions.

(c) Critical incidents

The Office has developed a role in relation to critical incidents in two ways. The most straightforward is to visit a prison where a critical incident is in progress so as to evaluate the impact upon prisoner services. This was done for the first time during the Hakea strike in July 2001. The benefit for the Department and the Minister is that an independent view of the prison situation is thus created; this also is in the public interest. If allegations and accusations are made as to occurrences during the critical incident, the Inspector should be in a position to provide a third view.

The second aspect of this evolving role is to prod the Department into making its own proper inquiries into critical incidents and, in turn, making the results of those inquiries available to the Office for evaluation. The prime example of this related to a fire at Hakea Prison on January 9th 2001. The Department's initial response was that the only investigation needed was that of the Police Prisons Unit to ascertain whether the incident amounted to arson and, if so, who was the perpetrator. In the particular circumstances, the answers to these questions were self-evident. However, when the matter was brought to the attention of this Office, it was clear that the really important questions related to matters of prison administration – Did the smoke alarms work? Was the response of officers prompt and efficient? Was the right breathing apparatus available? In any case, had officers been adequately trained or re-trained in its use? Was the follow-up medical advice and counselling appropriate?

These are the sorts of matter that the Department's own Internal Investigation Unit exists to deal

PART ONE

with. Yet the Office discovered that the Unit had not even been notified of the incident. Apparently, the protocol was that investigations were carried out by invitation – if the relevant superintendent considered that the incident were of sufficient importance. Clearly, this was a fundamental flaw in operating procedures.

The outcomes of the Office's intervention were twofold: first, a sensible report which, while identifying important weaknesses in the smoke alarm system, also showed that the officers had behaved with rectitude and bravery; second, revision to the protocols of the Investigations Review Committee so as to strengthen the quasi-independent role of the Unit and remove from superintendents what was in effect a power of veto over investigations. Consequently and also on account of other changes made to the Unit's personnel and functions, its acceptance and credibility within the Department appears to be increasing. The Office continues to monitor the activities of the Unit as a routine matter.

(d) Complaints

The statutory requirement is that the Inspector "shall not deal with a complaint or grievance relating to an individual other than to advise the complainant that the Inspector's functions do not relate to the matter or, if appropriate, to refer the matter to the Ombudsman". This provision has proved not entirely straightforward to apply in practice.

For the fact is that many complaints that are received by the Office actually raise questions about "a prison service". They may emanate from a particular individual but are in fact systemic in their origins. System matters are central to the jurisdiction and authority of the Office. Two examples will bring this point out.

The first relates to parole requirements. During the year, numerous verbal and written comments were received from prisoners concerning what they believed to be the injustice of the Parole Board approach to their situations. The Board has tended to follow a practice (not uniformly, but in what it considers to be appropriate cases falling within the parameters of a Supreme Court appellate decision) of denying parole or work release applications until such time as a prisoner has successfully taken a program that obliges him or her "to address their offending behaviour". Probing beneath these complaints, it quickly emerged that the real problem prisoners face is that the Department has denied them access to such a program or has offered it to them too late in their sentence to enable them to get parole at their earliest eligible date or has offered them a program in a relatively timely manner on condition that they return from a minimum-security prison to which their security rating has qualified them to a maximum-security prison with a more oppressive regime. Complaints about parole, then, are in reality comments on the systemic failure of the Department to deliver programs to the right people in the right time at the right place. These "complaints" are certainly the business of the Office – but not so as to purport to "solve" them on an individual basis.

Another example shows that even a complaint from a single prisoner about a personal matter may raise systemic issues. One prisoner raised issues of his handling by the Serious Offenders Management Committee. There are only a handful of prisoners within that Committee's jurisdiction, and none of the others had raised any issue. Nevertheless, what the complaint revealed was twofold:

PART ONE

first, that the rules setting out the Committee's procedures contained an ambiguity as to the right of the prisoner to attend and state his case; second, that there was some lack of clarity as to how the newly-introduced Individual Management Plan system for all prisoners intersected with the arrangements applicable to prisoners falling within the Serious Offenders system. These issues were raised with the Department, and satisfactorily settled.

It is important that Parliament, the Minister and the Department understand that the line between receiving and dealing with an individual complaint, on the one hand, and identifying and dealing with systemic issues, on the other, is a fuzzy one. There will always be issues of judgment about which people can honestly disagree. The current philosophy of the Inspector is that he will tend to err on the side of addressing issues that arise rather than circumventing them by literal and narrow reliance on the statutory provisions.

With regard to passing on complaints to the Ombudsman, this is of course done. Quite often it is found that the Ombudsman has already received similar or identical correspondence, for the exemptions as to reading prisoner correspondence found in section 67 of the Prisons Act have now administratively been extended to this Office. Thus the exempted organizations that are listed on the outside of the buff envelope used by prisoners include each of these offices, and they tend to send off copies of their letters to several of the listed organizations.

More generally, there does seem to be something to be said for the notion of a "one-stop shop" for prisoner issues. For the time being, however, the statutory provisions relating to the role of this Office are workable.

(e) Community consultation and information

Mention has already been made of the establishment of the Community Consultative Council to make inputs and provide feedback to the Office's activities. The membership of the Council and minutes of meetings are available on the Office's website.

Beyond that, the Office as a matter of course tries to elicit community opinion as to the functioning of prisons within their areas – a function which for self-evident reasons has greater relevance in regional Western Australia than in the Metropolitan area.

The Department itself has sometimes seemed rather timid in response to self-declared community opinion and has not always tested it rigorously. A prime example relates to the so-called minimum-security wing of Greenough Prison, which bristles with razor wire akin to that seen surrounding maxi-prisons in the US Deep South. This was supposedly a response to community opinion, though it seems in reality to have been more a case of buckling to a vocal minority. An aspect of the Office's modus operandi must be to get a good handle – better than the Department seems to have done to date – on community opinion. One example relates to the location of any proposed new prison in the Eastern Goldfields. Community opinion strongly supports the notion that it should remain where it is – on the present and the two adjoining sites – yet that site did not even get into the Department's top nine choices.

PART ONE

16. THE OFFICIAL PRISON VISITORS SCHEME

Before the Inspectorate was established, there were three main elements of external scrutiny of the prison system: (i) judicial officers, such as judges and justices of the peace, who were entitled to visit prisons at any time; (ii) official prison visitors, appointed by the Governor in Council, who were entitled to visit the prison to which they had been appointed at intervals of not more than three months and who could then report their findings to the Minister or the CEO of the Department; and (iii) unofficial visitors accorded the privilege of entry to nominated prisons by the Department itself and subject to conditions imposed by the Department.

The pieces of this jigsaw did not make up anything resembling a cohesive picture. Roles were unclear, the status of observations parlous, Departmental responses random.

The creation of the Inspectorate might be thought to have rendered the Official Visitors Scheme obsolete. Such a view would have been fortified by the fact that it had, whilst run from the Department of Justice itself on behalf of the Minister, drifted in parts to the point of tokenism and irrelevance. Functions were confused, reports of variable standard, training was non-existent, recruitment from a narrow base. An internal Departmental review had documented these matters, but follow-up action had not yet been implemented. The Inspector shared the Department's view that the Scheme could be refreshed and reinvigorated, and considered that it would form a natural adjunct to the liaison and ongoing inspection role of the Office. A somewhat similar model has worked reasonably well in the U.K.

Accordingly, the Inspector approached the Minister to suggest that the day-to-day administration of the Scheme be transferred to the Office. The Department had indicated that, hitherto, no budget had been specifically allocated to the activity. The internal Departmental review, referred to above, had indicated that a co-ordinator was required, as well as a training budget and provision for some administrative costs. It had also suggested that Visitors should be reimbursed for expenses.

In transferring the function across, the Minister picked up on all these recommendations except that relating to Visitors' expenses. At a time of considerable financial difficulty the Department agreed to forego sufficient funds to enable the Office to make the Scheme once more viable and useful. The Inspector very much appreciates this gesture. It is hoped that the 2001/2002 Annual Report will be able to document the first fruits of this new arrangement.

17. THE STATE OF THE DEPARTMENT OF JUSTICE: THE BIG ISSUES

The Department of Justice has endured organisational turmoil for most of the last decade. Inevitably, this adversely affects services. Only since 1998, with the appointment of the present Director-General, has reasonable stability of personnel started to be achieved. However, new sources of instability have come along since then – a purchaser/provider split, brought about under the previous government, which has never really bedded down; preoccupation with making the private contracts operational; as Acacia Prison comes on stream, the consequential reduction in prisoner numbers in the publicly-managed part of the prison system; associated industrial relations problems; operational complexities brought about by major construction programs within three prisons; a change of

PART ONE

government, bringing with it the requirement of major cost-cutting within the corrections side of the Department. It would be surprising indeed if, in the above context, the Inspector found that the Department was functioning immaculately with regard to prison services.

And, indeed, it is not doing so. There are four matters that seem to be of major concern, that need to be addressed urgently even though they cannot be solved instantly. These matters are:

- Prisoner health services;
- Structural racism and the poor standard of Regional prisons;
- Over-emphasis on security in Regional prisons, with consequential adverse impact on prisoner services; and
- Alienation of the field from Head Office.

(a) Prisoner health services

Reference has already been made to this issue in the context of the proposed thematic review that the Office will carry out. Many of the problems come back to the fact that, historically, Prison Health Services (it is interesting that the first noun refers to the place of delivery rather than to the people who are the patients) has been isolated from mainstream community health services. To counteract this, the 2000 report by the Ombudsman, *Deaths in Prisons in Western Australia*, recommended that the Department of Health take on primary responsibility for prisoner health services.

In conjunction with the CEO of Justice and the Chief Medical Officer of Health, and with the concurrence of the Minister, the Inspector has been trying to broker an improved structure for setting the strategic aims of this service, one that would tie the Department of Health more closely in with present activities. If this comes to pass, it is not unlikely that it could be a staging post en route to an ultimate arrangement akin to that suggested by the Ombudsman. However, in the meantime numerous urgent matters demand attention, not least the fact that the custodial culture prevails so markedly over health needs. This is changing, but not fast enough. Meanwhile, the most notable achievement of the Department has been to commence a program of major upgrades to the physical facilities of prison health centres. This is welcome; but of course in itself it does nothing to address organisational anomalies.

(b) Structural racism and Regional prisons

Racism must be judged by outcomes rather than intentions. The fact that a manager or policy strategist does not mean to bring about a discriminatory situation does not excuse if that situation is tolerated and not rectified.

Against that criterion, aspects of the Western Australian prison system are racist. Four prisons – Broome, Roebourne, Greenough and Eastern Goldfields – are “Aboriginal” prisons, in the sense that at any given time 75% or more of the prisoners are Aboriginal. In each of them – with the exception of Greenough – conditions exist that simply would not be tolerated if non-Aboriginal

PART ONE

prisoners were the predominant prisoner groups. These conditions will be described in detail in the relevant inspection Reports, as they are tabled in Parliament. They include: appalling accommodation, sleeping arrangements that are unhealthy and even dangerous, threadbare blankets, decaying real estate, filth, cockroaches, inadequate recreation opportunities, virtually no access to fresh air, humiliating arrangements for medical care and inadequate attention to dietary needs. Not all of these conditions are found equally in all prisons, but they are present in some or other of them to varying degrees. Each of these observations is valid also for female Aboriginal prisoners.

To some extent, all of this harks back to the run-down condition of many of the Regional prisons. The Department is trapped within its own historical myopia. Generally, all Regional prisons – not just, but more noticeably, the Aboriginal ones – are under-funded in relation to their Metropolitan counterparts. The 2001/2002 internal budget continues to allocate markedly less per prisoner place in the Regions than in the metropolitan area – even though fixed costs are often higher in these areas.

It is difficult to see how the Department can successfully tackle some of these problems until internal allocations are re-examined. In the case of structural racism, however, a way of doing so must be found at once, regardless of budgetary issues. We are at a stage of Australian history where excuses will no longer do.

The other matter to put on the record that should enable improvements to be made is that the Government and the Department are now committed to a Regional Prison construction program, with planning commencing immediately and the first bricks and mortar in 2004. The talk is of one Regional Prison; but the extremely urgent need is for two (in the Eastern Goldfields and the Kimberley). However, simply to replicate newer, cleaner versions of existing prisons would be futile. What is needed is an inventive and culturally appropriate approach to Aboriginal imprisonment. If this is to be achieved, it is crucial that the planning be done with wide consultation of the relevant community groups, so that innovative concepts will be developed.

Funds have been allocated under Forward Estimates for the construction of one Regional prison, commencing 2004. The debate has resolved into a question of: either the Kimberley or the Eastern Goldfields. This is a false debate; neither existing prison is acceptable. If the allocated funds are insufficient to enable solutions to be found for both locations, then the Government should allocate additional funds. The whole matter of conditions in Regional prisons will be addressed further in the 2001/2002 Annual Report.

(c) Over-emphasis on security in some Regional prisons.

This is both an aspect of the structural racism to which reference has been made and also a matter that stands alone. The problem is that the “Aboriginal prisons” are required – because of their location – to be multi-purpose. Most of their prisoners are minimum-security, but they must have a remand section (remandees are usually treated as maximum-security, whatever the substance of the charge against them), a female section (taking in all security levels), secure and minimum visits areas, a management section, all the usual recreation and program areas, work areas and other facilities requisite for minimum-security prisoners.

PART ONE

The Inspector accepts that it is not easy to combine such disparate functions within one prison area. However, the pattern is that, where there is any clash of objectives, security wins out – thus tending to diminish service quality for minimum-security prisoners. Examples include: movement patterns for female prisoners within the Eastern Goldfields Regional Prison; the allocation of uniformed staff to the secure section of Broome Prison, so that even the simplest prisoner movements from that area are done with full restraints; and the relative inaccessibility of the Aboriginal cultural area at Roebourne. Again, this matter will be illustrated fully in the relevant inspection Reports.

(d) Alienation from Head Office

It is well understood that almost all outlying agencies in almost any public or private sector enterprise feel some resentment about central control and guidance. The concerns of coalface workers are never adequately appreciated, they feel; Head Office looks after its own and in relative terms over-rewards them; those personnel could not cope if they were at the sharp end of the business. These sentiments actually epitomise how the state of Western Australia often regards “Canberra” (as the Commonwealth Government is usually called); and it certainly represents how not just the Regions but also most field workers feel about “Perth” (as Head Office similarly is often designated).

Whilst all this is commonplace and to some extent predictable, the Inspector is not aware of an organization where the alienation is expressed so constantly and so bitterly and with such minimal sense of caution in talking to strangers. Recent structural changes have attempted to address this – for example, the creation of a position of Director Regional Prisons and the appointment to that position of an officer who is widely accepted on account of his own long periods of service in the Regions. But to date there is no sign of this sentiment breaking down. If anything, it is getting worse – as new computer systems fail to deliver what they supposedly promised yet put more demands on personnel to carry out what they regard as non-core tasks.

The overlay to this is the role of the Prison Officers Union – now back in the front line as the defender of overtime arrangements, the protector of the twelve-hour shift and the fighter for threatened jobs.

There is no simple formula for reversing this alienation. But it does seem that the Department either has not valued its employees adequately or has managed to convey the impression to them that it does not do so. In a sense, whether this feeling of being under-valued is reality or perception does not matter; it has to be tackled as a living problem, requiring solution.

These, then, are four of the big issues the Department has to confront. There are others, but these seem the highest priority. The Inspector is not purporting in this Annual Report to offer solutions, but merely to put them on the agenda as aspects that will continue to crop up and be evaluated in inspections and other activities. They will be subject to follow-up analysis in the 2001/2002 Annual Report.

PART ONE

18. DEPARTMENTAL ACHIEVEMENTS

(a) The Integrated Prison Regime

The Department has been trying to bring greater purpose and imagination to prison operations over the last few years. The development of the Request for Proposals document for the Acacia Prison bidding process focused attention on what all prisons, including the public sector ones, should be trying to achieve. From this there have grown numerous initiatives that fall under the umbrella of the “Integrated Prison Regime”. This is very much to be welcomed – though the gap between intention and realisation is still considerable.

(b) Work Camps

The development of the concept of work camps is another excellent initiative. They proceed on the basis that there comes a point where it is unproductive to detain minimum-security prisoners coming towards the end of their sentences in a prison environment, that their preparation for release and re-settlement can best be done in an entirely open setting and with the development of reasonably normal work patterns and skilling. There have been six such camps and, although they have not been evaluated as to recidivism or employment or any other outcomes, they have certainly been successful in terms of community acceptance, prisoner attitudes and drop-out rates.

However, they are still something of an afterthought – an add-on to the main prison regime. Originally they were funded out of moneys made available from the Safer WA program, and the budget of the Prison Services division of the Department made no earmarked provision for them. As that source of funding ran out, therefore, their financial status has become somewhat parlous. They need to be integrated into the planning of prisons, in terms of overall funding, (the physical conditions and facilities in several of them leave much to be desired), personnel, release planning generally, and so on. The decision to close two camps – Toodyay and Badgingarra – announced since this Report was drafted lends point to this comment.

(c) Reducing the rate of imprisonment

Another Departmental achievement is that, at last, it is actively engaged in trying to develop and influence policies for keeping people out of prison. It is trying to shrink its business – or at least divert some of it to its community-based corrections arm. This has taken the form of the internal development of a strategy for “Reducing the Rate of Imprisonment in Western Australia”. This is a thoughtful and practical paper, theory-based yet pragmatic. In the Inspector’s long association with penal policy in this state, he cannot recall the Department making such an effective input into this debate.

Of course, the real challenge is to “join up” these policies such as these with those that the Courts and above all the Police should be developing. Western Australia has never had a criminal justice system management strategy to which all the main players have committed, and it is high time that this changed. The Department of Justice could perhaps be a leader in this.

(d) Internal service reviews

Anticipating the establishment of an Inspectorate, the Department in 1999 commenced its own series of internal audits or service reviews. These have continued since the Inspectorate became operational. They are seen primarily as a way of identifying performance benchmarks before an inspection under the Prisons Act occurs and also as a means of monitoring necessary changes after an inspection Report has been made. These reviews represent recognition that greater accountability is required throughout the prison system, and have become a useful management tool.

Each of the above matters helps inform the Office's inspection activities. It is as important to acknowledge achievements as to criticise shortcomings. The Office has tried to reflect that value in each of its Reports to date, and will continue to do so.

19. THE ADVENT OF THE OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES UPON THE CORRECTIONAL SCENE

To establish an Office such as this was a surprising innovation for Western Australia. The notions of transparency and accountability had never been prominent in prison administration – except in situations of crisis where Royal Commissions or formal inquiries could not, politically, be avoided. The Liberal/National Coalition initiated the idea; and the incoming Labor Government has supported it.

It is incumbent upon the Inspector to ensure that a broad base of support is sustained and deepened. The above account of the evolving activities and values is a frank account of how this task has so far been attempted. All protocols and strategies will be kept under review to achieve that end. The Office believes that the fact that its reporting line is to Parliament is immensely important as it seeks to flesh out and refine its role.

The early days have been challenging. The staff of the Office have all been wonderful contributors to the team efforts. With small staff numbers, everyone has to “chip in”; it is not sensible to invoke job descriptions when a task simply has to be done, and no one does so. Everyone is committed to creating in Western Australia a unique model of effective accountability of the prison system and related services.

PART TWO

CORPORATE MATTERS

(i) Corporate Ethos

GOVERNMENT OUTCOMES

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

VISION

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

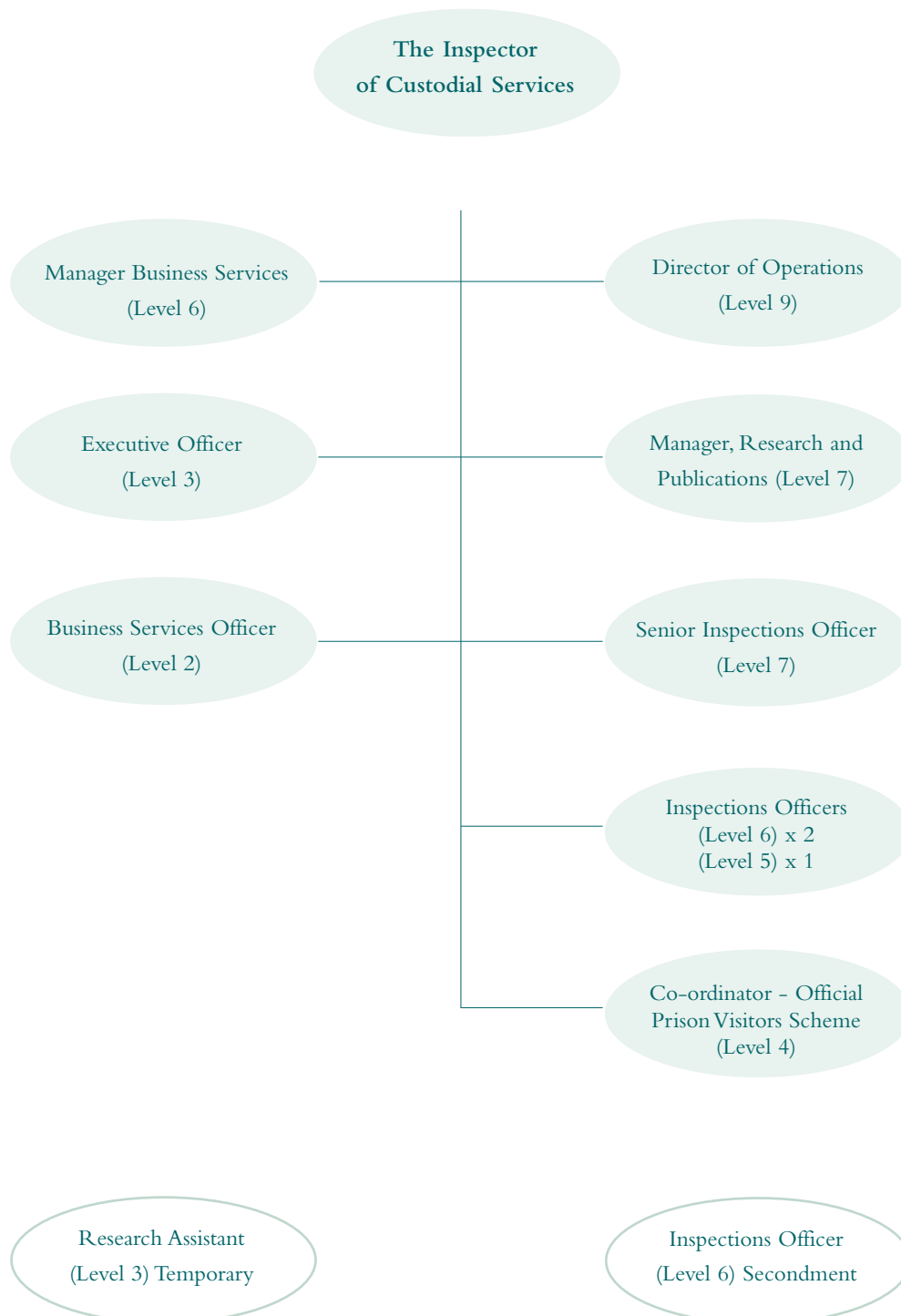
MISSION

To provide the people of Western Australia with an independent and effective prison inspection and review service which is fair and just and evaluates the extent to which the objectives of imprisonment are being achieved.

CORE BUSINESS

- Prison Inspections and Review of other Prison and Custodial Services
- Thematic Reviews
- Reports to Parliament
- Community Information
- Administration of the Official Prison Visitors Scheme

(ii) Internal Structure



PART TWO

(iii) **Statement of Compliance with Relevant Written Law**

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

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

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

Other Legislation impacting on the Office of the Inspector of Custodial Services:

Aboriginal Communities Act 1979

Anti Corruption Commission Act 1988

Bail Act 1982

Competition Policy Reform Act (WA) Act 1996

Coroners Act 1996

Court Security and Custodial Services Act 1999

Court Security and Custodial Services (Consequential Provisions) Act 1999

Crime (Serious and Repeat Offenders) Sentencing Act 1992

Criminal Code

Criminal Law (Mentally Impaired Defendants) Act 1996

Debit Tax Act 1990

Disability Services Act 1993

Electoral Act 1907

Equal Opportunity Act 1984

Evidence Act 1906

Financial Administration and Audit Act 1985

Fines, Penalties and Infringement Notices Enforcement Act 1994

Government Employees Superannuation Act 1987

Industrial Relations Act 1979

Interpretation Act 1984

Justices Act 1902

(iii) Statement of Compliance with Relevant Written Law (Cont.)

Library Board of Western Australia Act 1951
Occupational Health and Safety Act 1984
Parole Orders (Transfer) Act 1984
Prisoners (Interstate Transfer) Act 1983
Prisoners (Release for Deportation) Act 1989
Public Sector Management Act 1994
Racial Discrimination Act 1975
Salaries and Allowance Act 1975
Sentence Administration Act 1995
Sentencing Act 1995
Sentencing (Consequential Provisions) Act 1995
Spent Convictions Act 1988
State Supply Commission Act 1991
Workers Compensation and Rehabilitation Act 1981
Young Offenders Act 1994

(iv) Public Sector Standards

In the administration of the Office of the Inspector of Custodial Services, 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.



Professor Richard Harding

6 September 2001

PART TWO

(v) Accountability Issues

EQUAL EMPLOYMENT OPPORTUNITY

The Office is committed to equal opportunity in employment. An EEO Management Plan has been written, approved and implemented.

Female:Male staff ratio 2000/01

	Total	%
Female	6	55%
Male	5	45%
Total	11	100%

Classification	Occupational Group	Female	Male	Total
Level 2	Business Services Officer	1		1
Level 3	Executive Assistant	1		1
Level 4	Operational	1		1
Level 5	Operational	1		1
Level 6	Operational	1	1	2
Level 6	Business		1	1
Level 7	Operational	1	1	2
Level 9	Operational		1	1
Salaries and Allowances	Operational		1	1
Total		6	5	11

WASTE PAPER RECYCLING

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

FREEDOM OF INFORMATION

Documents held by this Office are exempt from disclosure under the *Freedom of Information Act 1992*.

CERTAIN EXPENDITURE

In compliance with *Section 175ZE of the Electoral Act 1907*, the Office provides the following information on expenditure relating to the following: -

- Advertising agencies – nil
- Market research organisations – nil
- Polling operations – nil
- Direct mail operations – nil
- Media advertising organisations - \$9,518

Media Decisions WA

Market Force Advertising Limited

Price Advertising

The Ministry of the Premier and Cabinet

Department of Industry and Technology

PART TWO

(vi) Performance Indicators

STATEMENT OF CERTIFICATION

I hereby certify that the performance indicators for the Office of the Inspector of Custodial Services are based on proper records and fairly represent the performance of the Office for the year ending 30 June 2001.



Professor Richard Harding

Inspector of Custodial Services

Accountable Officer

24 August 2001



AUDITOR GENERAL

To the Parliament of Western Australia

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2001

Scope

I have audited the key effectiveness and efficiency performance indicators of the Office of the Inspector of Custodial Services for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Inspector is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Office's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Office of the Inspector of Custodial Services are relevant and appropriate for assisting users to assess the Office's performance and fairly represent the indicated performance for the year ended June 30, 2001.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
October 26, 2001

PART TWO

Outcome

A fair and independent prison inspection service which provides for the regular and ongoing evaluation of the treatment and conditions of prisoners.

Mission

To provide the people of Western Australia with an independent and effective prison inspection and review service which is fair and just and evaluates the extent to which the objectives of imprisonment are being achieved.

KEY EFFECTIVENESS INDICATORS

(a) The extent to which the Department of Justice accepts and/or implements recommendations of the Office's prison inspection and review Reports, as set out in individual Reports.

(b) The extent to which the Minister, the Department of Justice or related agencies adopt recommendations for change following recommendation or advice emanating from the Office.

	Actual 2000/2001		Target 2001/2002	
	No.	%	No.	%
RECOMMENDATIONS				
Accepted	18	62	75	60
Pending	3	10	24	20
Not Accepted	8	28	24	20
	29	100	123	100
ADOPTIONS				
Recommendations implemented			45	60
Recommendations accepted but not implemented	11 ¹	100	15	20
Recommendations in progress			15	20
	11	100	75	100

¹ Of the 18 recommendations accepted, the acceptance of 1 recommendation has effectively cancelled out 7 in the "Report of an Announced Inspection of Riverbank Prison."

KEY EFFECTIVENESS INDICATORS (CONT.)

Notes

- The acceptance of the recommendations indicate that efforts have been made, from the Department's point of view, in considering the recommendations and how they will be implemented. This relates to the Mission in that it contributes towards an effective inspections process.
- The Community Consultative Council in representing the NGO's, activists, welfare groups etcetera provide input into the Office's operations and the Office has a source of grass-roots feedback.

Key Efficiency Indicators

The Office's measures of efficiency are formulated to measure the cost per published Inspection Report.

(a) The completion of each prison Inspection Report within six months of the last day of the formal on-site inspection period and its forwarding to the relevant Parliamentary officers for tabling.

(b) The mean cost of the outputs of the Office, including the Inspection Reports, to be within the limits indicated in the Output Measures.

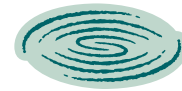
	Actual 2000/2001	Target 2001/2002
Reports completed within 6-months of an inspection	2	9.5
The mean cost of a recommendation	\$34,950	\$11,341

Notes

- Plans for next financial year include 6 major announced prison inspection reports, 1 prison transport, court custody centre or lock-up report, 2 follow up or unannounced prison inspection reports and 50 per cent of a thematic review.
- The amount allocated to the actual mean cost of a recommendation is high because the Office has only been operational for part of the year. The actual cost of recommendations was obtained by using the cost of services of \$1,175,821 less the capitalised start-up costs of \$162,281. Therefore, the \$34,950 shown above is arrived at by dividing \$1,013,540 by 29 recommendations.

PART TWO

(vii) Financial Statements



OFFICE OF THE INSPECTOR
OF CUSTODIAL SERVICES

Level 27, 197 St George's Terrace,
Perth, Western Australia 6000
Telephone +61 8 9212 6200
Facsimile +61 8 9226 4616

FINANCIAL STATEMENTS

for the year ended 30 June 2001

STATEMENT OF CERTIFICATION

The accompanying financial statements of the Office of the Inspector of Custodial Services have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the year ending 30 June 2001 and the financial position as at 30 June 2001.

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.

Derek Summers

Principal Accounting Officer

13 August 2001

Professor Richard Harding

Accountable Officer

13 August 2001



AUDITOR GENERAL

To the Parliament of Western Australia

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001

Scope

I have audited the accounts and financial statements of the Office of the Inspector of Custodial Services for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Inspector is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Inspector.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Office to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Office's financial position, the results of its operations and its cash flows.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the controls exercised by the Office of the Inspector of Custodial Services provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Summary of Consolidated Fund Appropriations and Revenue Estimates and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Office at June 30, 2001 and the results of its operations and its cash flows for the year then ended.

A handwritten signature in blue ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
October 26, 2001

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

For the year ended 30 June 2001

Contents

Statement of Financial Performance	35
Statement of Financial Position	36
Statement of Cash Flows	37
Summary of Consolidated Fund Appropriations and Revenue Estimates	38
Notes to the Financial Statements	39

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2001

	Note	2000/01	1999/00
		\$	\$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	4	593,511	4,067
Supplies and services	5	378,219	
Depreciation expenses	6	3,502	
Administration expenses	7	76,188	
Accommodation expenses	8	126,430	
Total cost of services		<u>1,177,850</u>	<u>4,067</u>
Revenues from ordinary activities			
Other revenues from ordinary activities	9	2,029	
Total revenues from ordinary activities		<u>2,029</u>	
NET COST OF SERVICES		<u>1,175,821</u>	<u>4,067</u>
REVENUES FROM GOVERNMENT			
Appropriations	10	1,176,000	77,000
Liabilities assumed by the Treasurer		8,494	
Resources received free of charge	27	6,000	
Total revenues from Government		<u>1,190,494</u>	<u>77,000</u>
CHANGE IN NET ASSETS		<u>14,673</u>	<u>72,933</u>
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS			
		<u>14,673</u>	<u>72,933</u>

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

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2001

	Note	2000/01 \$	1999/00 \$
Current Assets			
Cash assets	11	98,016	77,000
Restricted cash assets	12	18,000	
Receivables	13	32,371	
Other assets	14	9,055	
Total Current Assets		<u>157,442</u>	<u>77,000</u>
Non-Current Assets			
Office furniture and equipment	15	31,703	
Office Fit-out	15	162,281	
		<u>193,984</u>	
TOTAL ASSETS		<u>351,426</u>	<u>77,000</u>
Current Liabilities			
Provisions	16	146,343	
Other Liabilities	17	61,856	4,067
Total Current Liabilities		<u>208,199</u>	<u>4,067</u>
Non-Current Liabilities			
Provisions	16	55,621	
Total Non-Current Liabilities		<u>55,621</u>	
Total Liabilities		<u>263,820</u>	<u>4,067</u>
Equity			
Accumulated surplus/(deficiency)	18	87,606	72,933
Total Equity		<u>87,606</u>	<u>72,933</u>
TOTAL LIABILITIES AND EQUITY		<u>351,426</u>	<u>77,000</u>

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

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

For the year ended 30 June 2001

	Note	2000/01	1999/00
		\$	\$
CASH FLOWS FROM GOVERNMENT			
Recurrent appropriations		1,176,000	77,000
Net cash provided by Government		<u>1,176,000</u>	<u>77,000</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee costs		(525,767)	
Supplies and services		(331,226)	
Administration expenses		(71,991)	
Accommodation expenses		(124,630)	
GST payments on purchases		(41,180)	
Receipts			
Employee entitlements received on transfer		143,558	
GST receipts on sales		9,709	
Other receipts		2,029	
Net cash used in operating activities	19(b)	<u>(939,498)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(197,486)	
Net cash used in investing activities		<u>(197,486)</u>	
Net increase in cash held		39,016	77,000
Cash assets at the beginning of the financial year		77,000	
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	19(a)	<u>116,016</u>	<u>77,000</u>

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

FINANCIAL STATEMENTS

SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND REVENUE ESTIMATES

For the year ended 30 June 2001

	2000/01 Estimate \$	2000/01 Actual \$	Variance \$	1999/00 Estimate \$	1999/00 Actual \$	Variance \$
RECURRENT						
Amount required to fund outputs for the year	1,216,000	1,216,000		77,000	77,000	
Less retained revenue - Section 23A of Financial Administration and Audit Act	(40,000)	(40,000)				
Item 98 - Amount provided to fund outputs for the year	1,176,000	1,176,000		77,000	77,000	
Total recurrent services	1,176,000	1,176,000		77,000	77,000	
CAPITAL						
Item 98 - Amount provided for capital services for the year						
Total capital services						
GRAND TOTAL	1,176,000	1,176,000		77,000	77,000	

DETAILS OF EXPENDITURE

Recurrent

Outputs:						
Prison Inspection and Review	1,026,000	1,094,794	(68,794)	77,000		(77,000)
Recurrent expenditure	1,026,000	1,094,794	(68,794)	77,000		(77,000)
Less retained revenue	(40,000)	(155,296)	115,296			
Adjustment for cash balances and other funding sources	190,000	236,502	(46,502)		77,000	77,000
	1,176,000	1,176,000		77,000	77,000	

Capital

Capital expenditure	190,000	197,486	(7,486)			
Adjustment for cash balances and other funding sources	(190,000)	(197,486)	7,486			
Grand Total of Appropriations	1,176,000	1,176,000		77,000	77,000	

DETAILS OF REVENUE ESTIMATES

Revenues disclosed as Operating Revenues	40,000	155,296	(115,296)			
Total Revenue Estimates	40,000	155,296	(115,296)			

The Summary of Consolidated Fund Appropriations and Revenue Estimates should be read in conjunction with the accompanying notes.

The Summary provides the basis for the Explanatory Statement information in the notes, as required by TI 945.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

1. OFFICE'S MISSION AND FUNDING

The Office of Inspector of Custodial Services was established pursuant to Section 35(a) of the Public Sector Management Act 1994 and on the recommendation of the Minister for Public Sector Management, effective on and from 1 June 2000.

The Office of Inspector of Custodial Services' mission is "To provide the people of Western Australia with an independent and effective prison inspection and review service which is fair and just". The Office is funded by Parliamentary appropriations. The financial statements encompass all Funds through which the Office controls resources to carry on its functions.

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

2. SIGNIFICANT ACCOUNTING POLICIES

General Statement

As the Office was established in June 2000 these are the first full year financial statements required to be prepared. The statements prepared at the 30 June 2000 were for only one month.

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

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

Basis of accounting

The financial statements have been prepared in accordance with Australian Accounting Standard AAS 29.

The statements have been prepared on the accrual basis of accounting using the historical cost convention.

(a) Appropriations

Appropriations in the nature of revenue, whether recurrent or capital, are recognised as revenues in

FINANCIAL STATEMENTS

the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited into the Office's bank account.

(b) Net Appropriation Determination

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

- Proceeds from GST Input Credits; and
- Proceeds from services provided.

Retained revenues may only be applied to the outputs specified in the 2000/2001 Budget Statements.

Details of retained revenues are disclosed in the Summary of Consolidated Fund Appropriations and Revenue Estimates.

(c) Grants and Other Contributions Revenue

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

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

(d) Depreciation of non-current assets

All non-current assets with value of \$5,000 or more and a useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

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

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

(e) Employee entitlements

Annual leave

This entitlement is recognized at current remuneration rates and is measured at the amount unpaid at the reporting date in respect to employees' service up to that date.

Long service leave

A liability for long service leave is recognised at current remuneration rates and is measured at the amount of leave accrued at the reporting date.

This short hand method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AAS 30 "Accounting for Employee Entitlements".

FINANCIAL STATEMENTS

Superannuation

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

The Office also makes contributions on behalf of staff to private superannuation funds.

The superannuation expense comprises the following elements:

- (i) change in the unfunded employer's liability in respect of current employees who are members of the Superannuation and Family Benefits Act Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme;
- (ii) notional employer contributions which would have been paid to the Gold State Superannuation Scheme and West State Superannuation Scheme if the Office had made concurrent employer contributions to those Schemes; and
- (iii) contributions made to superannuation funds.

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

(f) Leases

The Office has not entered into any finance leases.

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

(g) Receivables

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

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

(h) Accrued Salaries

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

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

FINANCIAL STATEMENTS

(i) Payables

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

(j) Resources Received Free of Charge

Resources received free of charge which can be reliably measured are recognized as revenues at fair value.

(k) Revenue recognition

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

(l) Comparative Figures

While figures are presented for the previous financial year they relate to only the month of June 2000, when the Office was established. Accordingly, the previous year's figures cannot be reasonably compared to those for the current financial year.

3. OUTPUTS OF THE OFFICE

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

The output of the Office is:

Prison Inspection and Review

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

	2000/01	1999/00
	\$	\$
4. EMPLOYEE EXPENSES		
Salaries	440,217	4,067
Superannuation	27,258	
Long service leave	74,992	
Annual leave	35,030	
Other related expenses	16,014	
	593,511	4,067

5. SUPPLIES AND SERVICES

Consultants and contractors	140,053
Materials	108,144
Repairs and maintenance	73,351
Travel	49,856
Other	6,815
	378,219

FINANCIAL STATEMENTS

	2000/01	1999/00
	\$	\$
6. DEPRECIATION EXPENSE		
Office furniture and equipment	3,502	
	3,502	
7. ADMINISTRATION EXPENSES		
Communication	21,034	
Consumables	4,499	
Other staff costs	26,949	
Sundry expenses	23,706	
	76,188	
8. ACCOMMODATION EXPENSES		
Lease Rentals	57,200	
Repairs and Maintenance	68,500	
Cleaning	730	
	126,430	
9. OTHER REVENUES FROM ORDINARY ACTIVITIES		
Contributions to Executive Vehicle Scheme	2,013	
Sundry receipts	16	
	2,029	
10. REVENUES FROM GOVERNMENT		
Appropriation revenue received during the financial year:		
<i>Recurrent</i>	1,176,000	77,000
The following liabilities have been assumed by the Treasurer during the financial year:		
<i>Superannuation</i>	8,494	
Resources received free of charge. Determined on the basis of the following estimates provided by agencies:		
<i>Office of the Auditor General</i>	6,000	
	1,190,494	77,000
11. CASH ASSETS		
Operating Account	92,606	77,000
Cashiers advance	5,410	
	98,016	77,000
12. RESTRICTED CASH ASSETS		
Accrued salaries suspense account	18,000	
	18,000	

Amount held in Accrued Salaries Suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

FINANCIAL STATEMENTS

	2000/01	1999/00
	\$	\$
13. RECEIVABLES		
Current		
Salary Recoups	900	
GST receivable	31,471	
	<u>32,371</u>	
14. OTHER ASSETS		
Current		
Accrued revenue – salary recoups	9,055	
	<u>9,055</u>	
15. OFFICE FURNITURE AND EQUIPMENT		
Office Fit-out		
At cost	162,281	
	<u>162,281</u>	
Furniture and equipment		
At cost	35,205	
Accumulated depreciation	(3,502)	
	<u>31,703</u>	
	<u>193,984</u>	

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

Office fit-out costs were capitalized, no depreciation was charged during the year as the fit-out was completed in June 2001.

16. PROVISIONS		
Current		
Annual leave	55,674	
Long service leave	90,669	
	<u>146,343</u>	
Non-current		
Long service leave	55,621	
	<u>55,621</u>	

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

Provision for employee entitlements:

Current	146,343
Non-current	55,621
	<u>201,964</u>

FINANCIAL STATEMENTS

	2000/01	1999/00
	\$	\$
17. OTHER LIABILITIES		
Current		
Accrued expenses	48,680	
Accrued salaries	13,176	4,067
	<u>61,856</u>	<u>4,067</u>

18. EQUITY

Assets exceed liabilities for the Office and there is therefore an interest in the assets of the Office. This is taking into consideration expenses such as depreciation and accrual of employee entitlements for leave not involving the payment of cash in the current period being recognized in the Statement of Financial Performance. Funding for the Office is entirely through appropriation on a cash basis.

Accumulated surplus/(deficiency)		
Opening balance	72,933	
Change in net assets resulting from operations	14,673	72,933
Closing balance	<u>87,606</u>	<u>72,933</u>

19. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash at bank, cash on hand and restricted cash. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash assets (Refer to Note 11)	98,016	77,000
Restricted cash assets (Refer to Note 12)	18,000	
	<u>116,016</u>	<u>77,000</u>

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

Net cost of services	(1,175,821)	(4,067)
Non-cash items:		
Depreciation expense	3,502	
Superannuation expense	8,494	
Resources received free of charge	6,000	

FINANCIAL STATEMENTS

	2000/01	1999/00
	\$	\$
Increase in assets:		
Current receivables	(32,371)	
Other Current assets	(9,055)	
Increase in liabilities		
Current provisions	146,343	
Other current liabilities	57,789	4,067
Non-current liabilities	55,621	
Net GST payments	(31,471)	
Change in GST in receivables/payables	31,471	
Net cash provided by/(used in) operating activities	(939,498)	

20. COMMITMENTS FOR EXPENDITURE

(a) Capital expenditure commitments

The Office has no capital expenditure commitments.

(b) Finance lease commitments

The Office has no finance lease commitments.

(c) Non-cancellable operating lease commitments

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

Within 1 year	176,370
Later than 1 year and not later than 5 years	628,737
Later than 5 years	141,916
	947,023

(d) Other expenditure commitments

The Office has no other expenditure commitments.

(e) Guarantees and Undertakings

The Office has given no guarantees or undertakings.

21. CONTINGENT LIABILITIES

The Office has no contingent liabilities.

FINANCIAL STATEMENTS

	2000/01	1999/00
	\$	\$
22. REMUNERATION AND RETIREMENT BENEFITS OF SENIOR OFFICERS		
Remuneration		
The number of Senior Officers whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, who fall within the following band is:		
1-10,000		1
120,001 - 130,000	1	
The total remuneration of senior officers is:	124,712	4,067
Retirement Benefits		
The following amount in respect of retirement benefits for senior officers was paid or became payable for the financial year:		
Contributions to private superannuation funds	18,764	

23. EXPLANATORY STATEMENT

The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into Consolidated Fund, all on a cash basis.

The following explanations are provided in accordance with Treasurer's Instruction 945.

	2000/01	2000/01	Variance
	Estimate	Actual	\$
	\$	\$	\$
Variations between the current year and those for the immediately preceding financial year are due to the previous year only being for one month activity, being the month the Office was established.			
Recurrent expenditure for the financial year exceeded the annual estimate due mainly to accrued leave liability paid to staff from funds received from transferring agencies.	1,026,000	1,094,794	68,794
Retained revenue for the financial year exceeded the annual estimate due to funds being received from other agencies to cover accrued leave liabilities for staff transferred to the Office.	40,000	155,296	115,296
Capital expenditure for the financial year exceeded the annual estimate due to alterations within leased accommodation.	190,000	197,486	7,486

FINANCIAL STATEMENTS

24. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

(a) Interest rate risk exposure

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

	Weighted average effective interest rate	Variable interest rate	Fixed interest rate maturities			Non interest bearing	Total
			Less than 1 year	1 to 5 years	More than 5 years		
2000/2001	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash assets						98,016	98,016
Restricted cash assets						18,000	18,000
Receivables						32,371	32,371
Other assets						9,055	9,055
						157,442	157,442
Financial Liabilities							
Provisions						201,964	201,964
Other Liabilities						61,856	61,856
						263,820	263,820
1999/2000							
Financial Assets						77,000	77,000
Financial Liabilities						4,067	4,067

(b) Credit Risk Exposure

The carrying amount of financial assets recorded in the financial statements represents the Office's maximum exposure to credit risk.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

25. RELATED AND AFFILIATED BODIES

The Office of the Inspector of Custodial Services has no related or affiliated bodies.

26. SUPPLEMENTARY INFORMATION

Write-Offs

During the financial year no amounts were written off.

Losses through theft, defaults and other causes

During the year there were no losses.

Gifts of public property

No gifts of public property were provided during the year.

27. AUDIT REMUNERATION

The net audit fee for services provided by the Office of the Auditor General is \$6,000.



OFFICE OF THE INSPECTOR
OF CUSTODIAL SERVICES

Level 27, 197 St George's Terrace, Perth, Western Australia 6000
Telephone +61 8 9212 6200 Facsimile +61 8 9226 4616