

OFFICE OF THE INSPECTOR
OF CUSTODIAL SERVICES

2001-2002 ANNUAL REPORT

RESPONSIBLE MINISTER

Minister for Justice

The Hon. Jim McGinty, MLA

ACCOUNTABLE AUTHORITY

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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.



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Contents

PART 1 – The Work and Responsibilities of the Office of the Inspector of Custodial Services	2
1. Introduction: Developments in 2001/02	2
2. Statutory Functions, Powers and Obligations of the Office and Plans For Future Expansion	2
3. Reporting Processes and Parliamentary Accountability	4
4. Standards	5
5. Staffing and Secondment Arrangements	5
6. External Experts and Guest Inspections Officers	6
7. Authorisations by the Inspector under Section 109K (3) of the <i>Prisons Act</i> 1981 and Section 86(3) of the <i>Court Security and Custodial Services Act</i> 1999	7
8. Prison Inspections and Custodial Service Inspections for 2001/02 and those Foreshadowed for 2002/03	8
9. Thematic Reviews	9
10. The Official Visitors Scheme	10
11. The Community Consultative Council, Other Community Links and Relations with Other Agencies	11
12. Progress and Problems within the Department of Justice	12
13. Summary	17
PART 2 – Corporate Matters	18
1. Corporate Ethos	18
2. Internal Structure	19
3. Enabling Legislation	19
4. Legislation Administered	19
5. Responsible Minister	19
6. Outputs (goods or services) provided to the public sector in WA	19
7. Senior Officers	20
8. Publications	20
9. Contracts with Senior Officers	20
10. Highlights of the Year	20
11. Changes in Written Law	21
12. Ministerial Directives	21
13. Staff Profile	21
14. Equal Employment Opportunity	22
15. Waste Paper Recycling	22
16. Freedom of Information	22
17. Staff Development	22
18. Workers Compensation	22
19. Continuing Research and Development	22
20. Major Promotional, Public Relations or Marketing Activities	22
21. Pricing Policies on Outputs	22
22. <i>Electoral Act</i> 1907 Section 175ZE	23
23. Legislation Impacting on the Office's Activities	23
Compliance with <i>Public Sector Management Act</i> Section 31(1)	24
24. Outcomes, Outputs and Performance Information	27
PART 3 – Financial Statements	36

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

1. INTRODUCTION: DEVELOPMENTS IN 2001/02

The Office commenced operations in June 2000. The Annual Report for 2000/01 described in considerable detail key matters: statutory functions and powers; the methodology of Inspections; reporting processes and Parliamentary scrutiny; the notion of continuous Inspections; applicable standards; and staffing arrangements. This section of the current Report will not reiterate those matters, but will build upon them in the light of subsequent developments.

2. STATUTORY FUNCTIONS, POWERS AND OBLIGATIONS OF THE OFFICE AND PLANS FOR FUTURE EXPANSION

The present jurisdiction relates to prisons (*Prisons Act 1981*) and custodial services (*Court Security and Custodial Services Act 1999*). During the year, the Attorney General endorsed the proposal to extend the jurisdiction of the Office to cover juvenile detention centres and commenced the appropriate processes. This extension would involve an amendment of the *Young Offenders Act 1994*.

Efficient administration requires that corrections should be seen as a totality, rather than as separate parts. That means that the non-institutional or community-based aspects of both adult and juvenile corrections should be linked and complementary. The structure of the Department of Justice itself reflects this obvious insight. The Inspector considers that the jurisdiction of this Office should parallel that of the Department – in other words, that community-based corrections should in due course also be oversighted by this Office.¹

Reverting to the existing jurisdiction, the effective discharge of the Inspector's functions depends, amongst other things, upon the willingness of people working within the prison system or confined as prisoners to communicate without fear or favour with personnel authorised by the Inspector under the relevant Acts. This is statutorily recognised by the fact that there are offences of hindering (Section 109T, *Prisons Act 1981*) and victimisation (Section 109U, *Prisons Act 1981*), which carry quite substantial criminal penalties. Whilst the Inspector accepts fully that it is not the intention of the Department to put barriers in the way of communication, some suggestion nevertheless emerged during the year that some Departmental staff may have felt inhibited in their dealings with this Office. This attitude may well have arisen from a misunderstanding of *Prisons Regulation No. 22* of 1982. This provision essentially gags a prison officer from talking about work-related matters "except in connection with the discharge of his duties or with the prior written approval of the Superintendent". It did not seem to be fully understood that a later statute that contains provisions inconsistent with an earlier one, or with Regulations made pursuant to that earlier statute, takes precedence. After representations from the Inspector, the Department issued a Circular to Superintendents, to be followed in due course by a Policy Directive, clarifying the situation and notifying staff of their right and duty to co-operate with the Office. The Inspector welcomes this move.

Another provision crucial to the effective discharge of the Inspector's functions is access to "all documents in the possession of the Department in relation to a prison or a prison service". Inevitably, there have been a few teething problems in bringing this provision into operational life. Occasionally,

¹ This would entail a change of name, perhaps to the Office of the Inspector of Custodial and Correctional Services.

Note that, in the UK, the Inspectorates of Prisons and Probation are separate. However, this model suits the situation there because (a) the service delivery agencies are separate and (b) because in any case each function is so enormous (136 prisons within the Prison Service and 42 separate probation areas within the National Probation Service). A unified model would be appropriate in the different circumstances prevailing in Western Australia.

some Department of Justice personnel have seemed to treat requests for relevant documentation as matters in which they have discretion, rather than an obligation. On its own part, the Office's requests for documentation were sometimes insufficiently focussed – indicative of the difficulty in seeking access to documents whose existence has not expressly been brought to the Inspector's attention, but which it is thought must exist in some form or another. Even when the request was clear and the obligation was understood, delivery of some documentation could be quite tardy, however. Gradually, all of these problems have started to be resolved. The process of feeding requests through one person in this Office to the Department's own person responsible for liaising with this Office (Manager Operational Review) has started to work well.

However, one dispute arose in circumstances where the Department considered that it had a prior obligation to another statutory office holder which negated or qualified the obligation to this Office. After some discussion it was eventually understood that the Department could lawfully comply with two obligations – to the other office holder and to this Office – and the documentation was supplied. It was gratifying that clarification of the relationship has been achieved. For its part, this Office has striven, and continues to strive, to ensure that it does not ask for unnecessary documentation or go on a 'fishing expedition'. A sensible working relationship has always been the prime objective and is now being achieved.

During the year the Minister and the Department became understandably concerned at the problem of not being able to ban persons from visiting prisons, after it had been objectively established by their prior conduct that they posed a security or operational risk. Accordingly, Section 66 of the Prisons Act 1981 was amended. The new Section 66(3) provides that:

“Notwithstanding any other provision of this Act, the Chief Executive Officer may, in prescribed circumstances, ban a person from visiting a specified prison for a specified period.”

As it stands, this provision would authorise the Chief Executive Officer to ban persons authorised by the Inspector under Section 109K(3) of the Act, or even the Inspector himself. Obviously, the exercise of such a power would be quite intolerable, and calculated to undermine the autonomy of the inspection system. Despite prior discussions about the draft of this Section with the Department, which had led the Inspector to presume that the provision would not appear in the Act in a form that enabled this outcome to be possible, the amending provision went through Parliament in that form. Negotiations between the Inspector and the Director General of the Department are now in progress with a view to establishing a Memorandum of Understanding as to the operation of this matter. The broad aim is that, in relation to authorised personnel, no such ban would take place without consultation with and concurrence of, the Inspector (with the Minister being the arbiter in case of dispute), and that in the case of the Inspector himself, no such ban could be imposed except in circumstances equivalent to those which would justify his dismissal for misconduct, in accordance with Section 109E of the Act. It is hoped that the finalisation of this Memorandum of Understanding will be completed quite soon. This matter will be reported in the Annual Report for 2002/03.

Generally, this saga highlights the problems that can arise when an Agency is not responsible for the administration of its own legislation and thus able to advise the Minister directly about that matter. The *Prisons Act*, it must be understood, is administered by the Department of Justice. The amendment that appears as section 66(3) illustrates the inadequate or ineffective consultation with a key party potentially affected by legislation. It is the Inspector's firm view that, when Parliamentary time is available, the Inspection function should be comprehensively covered in a 'stand alone', purposive Statute. At present various provisions are found, not only in the *Prisons Act*, but also in the *Court Security and Custodial*

Services Act 1999. To these, once the foreshadowed legislation to bring juvenile detention centres within the jurisdiction of the Inspector has been passed, there will be added the *Young Offenders Act*.

Simply on the basis of comprehensibility, therefore, there is a strong case for bringing the legislative provisions into one Statute. Also, there are certain substantive matters which need clarification in the course of any such legislative exercise. Finally, this would mean that the Office is responsible for advising the Minister upon its own legislation, rather than having this task performed by the very body which the Office is scrutinising.

3 . REPORTING PROCESSES AND PARLIAMENTARY ACCOUNTABILITY

Inspection reports by their very nature will almost inevitably contain some adverse criticisms of current policies or practices. The obligation of the Office is to afford an opportunity to the Department of Justice or any other person or organisation criticised in a Report to respond to such criticism before the Report is finalised. In the 2000/01 Report, the general approach that would be adopted towards those responses was clearly expounded. During the course of this reporting year, not only the Department of Justice but also AIMS Corporation and the Department of Transport were in various circumstances given an opportunity to reply to criticism.

Of course, the real purpose of sending Draft Reports for comment to interested parties – primarily the Department of Justice – is not a defensive one, but so as to enhance the value of the final Report. In this regard, the relationship with the Department of Justice has evolved satisfactorily. The Department invariably responds in a way which clearly indicates their acceptance or otherwise of recommendations, and also indicates an Action Plan. This Plan forms a checklist not just for this Office in any Follow-up Inspection or liaison visit, but also for the Department itself and its Internal Service Review Team. Moreover, it places on the public record the extent to which the Department is prepared to commit itself to implementing changes proposed by this Office, thus enhancing public accountability.

More recently, the development of an Action Plan has in some cases begun to take on an interactive quality – in other words, discussions between the Department and this Office may be held as to the optimum or most acceptable way in which a recommendation may be implemented. The same approach, incidentally, has been evident in the dealings of the Inspector with AIMS Corporation.²

Clearly, if effectiveness is the objective, then this is enhanced by these kind of processes. On the other hand, the Inspector is aware that if this interactive process goes too far there is a danger of co-optation of the Office by the Department. To date, however, there has not been a hint that this is a hazard. The Office's main pathway into the Department, via the Manager Operational Review, is working very well and in a mutually respectful way.

With regard to Parliamentary reporting mechanisms, in the year under review a second Parliamentary Committee evinced interest in the work of the Office.³ This was the Standing Committee of the Legislative Council on Finance and Administration. The Inspector and the Director of Operations appeared before this Committee on 10th April, and it is anticipated that regular briefings will be offered. In addition, the Office, like every other public sector agency, is required to appear before the Estimates Committee of the Legislative Assembly, and this took place on 29th May. The Inspector has

² *In Report No. 3 – “Report of an Announced Inspection of Adult Prisoner Transport Services” – numerous criticisms were made of vehicle design, from the point of view of passenger safety and comfort. AIMS Corporation subsequently set out to develop a new prototype. Personnel from this Office inspected this at a stage when further modifications could if necessary have been made.*

³ *It was reported last year that the Community Development and Justice Committee of the Legislative Assembly had requested a briefing by the Inspector.*

also made a practice of briefing the Opposition spokesman and the Leader of the Greens Party on the activities of the Office.

4. STANDARDS

It was stated in the previous Annual Report that the standards upon which the Inspectorate makes its judgement are in the course of development. The Department's 'four cornerstones' - developed as part of the new operational philosophy which drove the Request for Proposals in relation to the Acacia Prison - should be the primary reference point. In addition, the Inspector has found that the 'healthy prison test'⁴, favoured by the UK Chief Inspector of Prisons, is invariably informative and tends to fortify the findings measured against the new operational philosophy. The Office is also keenly aware of international good practice as manifested in such sources as the European Prison Rules, the United Nations Standard Minimum Rules, the International Handbook on Good Prison Practice, and also of the national derivative of various international instruments, known as the Standard Guidelines for Corrections in Australia. Practices that are significantly at variance with the expectations of these overlapping documents would certainly attract adverse findings in the course of Inspections.

It is acknowledged that these measures are not yet sufficiently quantifiable, neither do they constitute fail-safe litmus tests. As experience deepens, the Inspector has come to doubt whether hard and fast quantitative measures can ever be rigorously applied to this complex area of human service. That is not to say that there are not numerous matters that can be quantified - for example, out of cell hours, employment rates, education participation rates, the extent of staff training and numerous other matters. But it is doubtful whether a reliable way can be found of putting a score on overall performance in any given area of prison management and services.

Having said that, as set out in Part Two of this Report, progress has been made in that evaluations and recommendations have been categorised into ten distinct groups. From the point of view of implementation, a matrix has been developed indicating the level of acceptance that the Office would consider represents a sufficient response by the Department of Justice. Although this does not, of course, amount to an exercise in quantifying the standards themselves, it certainly shows progress in terms of identifying priorities. It is expected that, in future years, this matrix will evolve, both as to the categories of recommendations and as to the expected rates of implementation, and it is certain that the Department itself will contribute to this process.

5. STAFFING AND SECONDMENT ARRANGEMENTS

The Office's organisational chart is set out in Part Two of this Report. Important changes occurred during the past year.

First, it was decided to utilise the funds that had previously been earmarked for the position of an Inspections Officer to create the position of Senior Research Officer. This position, like that of the Research and Publications Manager, is also involved in prison Inspections. In particular, the conduct and analysis of the preliminary surveys and focus group discussions is an aspect of that position's responsibilities. The actual incumbent is also involved in maintaining a watching brief on the quality of prisoner health services. The objective in creating this position was to enhance, within the Office's

⁴ This test has four main components: (i) that the weakest prisoners feel safe; (ii) that all prisoners are treated with respect as individuals; (iii) that all prisoners are busily occupied, are expected to improve themselves and are given the opportunity to do so; and (iv) that all prisoners can strengthen links with their families and prepare themselves for release. The numerous sub-criteria within these four main criteria overlap substantially with the detailed components of the four cornerstones of the new operational philosophy.

limited resources, the capacity to carry out in due course major thematic reviews of prison and custodial services.

The second major change was that a Co-ordinator of the Official Prison Visitors Scheme was appointed. As foreshadowed previously, the Minister by administrative arrangement has devolved day-to-day responsibility for the administration of that Scheme to this Office, and the Co-ordinator carries the principal responsibility for this task.

Third, the appointment of the first secondee from the Department of Justice ran out during the year. That person was replaced after a process in which 23 persons from the Department indicated expressions of interest, and following interviews by the Office with shortlisted personnel. The Inspector would like once more to emphasise how beneficial this secondment arrangement is for the effective operation of the Office. A serving prison officer, familiar with current custodial and industrial issues, adds ballast to the judgements made in the course of the Inspection process. Once more, appreciation should be put on the record to the Department of Justice for honouring this arrangement – which is certainly also of long term benefit to the Department itself.

Fourth, the Office was able to enter into an arrangement with the Department of Aboriginal Affairs for the six month secondment of an Aboriginal person as a trainee Inspection Officer. This is of immense value to the Office, and it is hoped that this arrangement can be extended for a further period.

Fifth, the Office was also very fortunate that a senior ATSIC employee from Canberra chose to be seconded for part of the duration of her Senior Women in Management program. Her input into Inspections and office procedures generally has been enormous. In that regard, it is perhaps apposite to note at this point that the Office during this period has had three Aboriginal people on staff – something which is necessary and enormously important if one is to retain full credibility in dealing with prisons and custodial issues in this state.

Sixth, a new departure was made in that a social work student from Curtin University carried out his placement at the Office. Such placements require that a person eligible for membership of the Australian Association of Social Workers should be available to supervise, and in that regard Senior Inspections Officer Peter Upton-Davis took on this responsibility. The Inspector believes that arrangements such as this are beneficial to the Office and that they increase the understanding of the kinds of issues that arise in the business of imprisonment. Every effort will be made to continue this practice with at least one such placement per annum.

6 . EXTERNAL EXPERTS AND GUEST INSPECTIONS OFFICERS

The Inspector is keenly aware of the value of enhancing the expertise of the Office by involving external experts in Inspections and other activities. For example, it is now standard practice for a medical practitioner to be involved in prison inspections. Often this is a person made available by the Department of Health. The incoming Director General of Health, Mr Michael Daube, endorsed this arrangement, and his assistance is gratefully acknowledged. Having said that, occasionally the Department of Health may not be able to supply a medical practitioner with the special expertise relevant to the particular Inspection, in which case the Office has engaged a person directly as a consultant. This occurred in relation to the Inspection of Roebourne Prison – where a medical practitioner with particular knowledge of Aboriginal health was engaged – and Bandyup Prison – where a female doctor was engaged. Nevertheless, the norm remains that of utilising Department of Health personnel, with the benefit of continuity.

An innovation during the year was for the Office to develop liaison with the Branch within the Department of Health responsible for environmental health considerations in prisons. During the

Roebourne Inspection, the Health Department Officer joined with the Office's Inspection team, to mutual advantage. It is expected that this practice will continue in the future in relation to some of the main Inspections.

An important new development was the practice of bringing in guest inspections officers. Specifically, the following persons were involved in this way:

- Sir David Ramsbotham (in relation to the Inspection of Casuarina Prison);
- Mr Walter McGowan (in relation to Hakea Prison);
- Mr Lindsay Le Compte and Mr Stephen Griffin, (in relation to Hakea Prison);
- Mr Russell Ford (in relation to Hakea Prison);
- Mr Lyn Kilpatrick (in relation to the Inspection of Metropolitan Court Custody Centres)
- Ms Moira Rayner, (in relation to Bandyup Prison); and,
- Dr Keith Carter (in relation to Hakea Prison, Bandyup Prison and the Thematic Review of the Status and Condition of Protection Prisoners).

Sir David Ramsbotham is the former Chief Inspector of Prisons for England and Wales. Mr Walter McGowan is a former Governor Grade I in the UK Prison Service, and currently the Director of Operations and Manager of HM Prison Altcourse for Group 4 Prison Services Ltd. Mr Lindsay Le Compte is the Inspector-General of Corrective Services for New South Wales, and Mr Stephen Griffin is his Director of Operations. Mr Russell Ford is the Principal Monitor of the Office of the Correctional Services Commission in Victoria. Mr Lyn Kilpatrick is an architect with widespread and longstanding experience of design issues in relation to prisons and other detention facilities. Ms Moira Rayner is the Acting Commissioner for Equal Opportunity for Western Australia. Dr Keith Carter is a British scholar with extensive research and practical experience of prison systems and regimes.

The benefit of having guest inspections officers of the calibre of these persons lies in cross-fertilisation from their systems and agencies into this Office, and from this Office into their own systems and agencies. The Inspector considers that it enhances the capacity of the Office considerably, and this approach will be followed as far as practicable in the future.

The Office also continued its practice of utilising appropriate external personnel for survey and focus group discussion work. For example, in relation to both Broome and Roebourne Inspections, persons with extensive links with the relevant Aboriginal communities were involved. Generally, the Office also uses the services of both Aboriginal and non-Aboriginal students in relation to the survey and focus group work in the metropolitan prisons.

7. AUTHORISATIONS BY THE INSPECTOR UNDER SECTION 109K(3) OF THE PRISONS ACT 1981 AND SECTION 86(3) OF THE COURT SECURITY AND CUSTODIAL SERVICES ACT 1999

The Inspector may authorise a person for the purpose of exercising various rights and powers under these Acts. During the year the protocols in relation to this function were reviewed and revised. From a security point of view, it is now considered that they are watertight. Specifically, no authorisation will henceforth be issued for a period in excess of that during which it is anticipated that it will be required; thus, some recent authorisations have been valid merely for the week or so over which a survey or focus group exercise may extend.⁵ Authorisations remain the property of the Inspector at all times, and must

⁵ *Ten authorisations issued to occasional consultants or assistants at earlier dates remained valid. However, these were held in the Office, to be issued only as required for a particular assignment after which they would be returned for safekeeping.*

be returned upon demand. An effective system is in place to register that authorisation documents are returned, even those that are no longer valid through effluxion of time. In the event of loss, the Inspector will immediately notify the Department and will simultaneously cancel the validity of that authorisation. In addition, the Inspector has also adopted the practice of imposing conditions upon some authorisations. For example, one person has been authorised in relation only to the farming activities of Karnet Prison.

As at 26th July 2002, there were extant authorisations in relation to 22 distinct persons. Twelve of these were ongoing and active and held by persons in regular contact with prisons, whilst ten were held securely in the Office in circumstances described in footnote 5.

8. PRISON INSPECTIONS AND CUSTODIAL SERVICE INSPECTIONS FOR 2001/02 AND THOSE FORESHADOWED FOR 2002/03

In accordance with Section 109N(2)(b)(i) of the *Prisons Act*, the Inspector has for the purposes of this Report prepared a list of the prisons that have been inspected since 30th June 2001. Similarly, in accordance with Section 89(1)(b)(i) of the *Court Security and Custodial Services Act*, the Inspector has included a list of the Court Custody Centres and other “custodial services” that have been inspected since 30th June 2001. These lists were prepared on 2nd July 2002. They are as follows:

PRISONS 2001/02

- Eastern Goldfields Regional Prison – Unannounced Inspection, August 2001;
- Special Handling Unit of Casuarina Prison – Announced Follow-Up Inspection, September 2001;
- Casuarina Prison – Announced Full Inspection, October 2001;
- Nyandi Women’s Prison – Announced Inspection, February 2002;
- Eastern Goldfields Regional Prison – Announced Follow-Up Inspection, February 2002;
- Hakea Prison – Announced Inspection, March 2002;
- Roebourne Regional Prison – Announced Inspection, April 2002; and,
- Bandyup Women’s Prison – Announced Inspection, June 2002.

In relation to Bandyup Women’s Prison, it should be noted that the books have been “left open”, in the sense that it will be necessary to resume the on-site aspect of the Inspection in August 2002 or thereabouts.

COURT CUSTODY CENTRES AND OTHER “CUSTODIAL SERVICES” 2001/02

- Adult Prisoner Transport Services – Announced Inspection spanning a six month period ending September 2001;
- Armadale, Fremantle, Rockingham, Supreme Court of Western Australia, Midland, Central Law Courts and Joondalup Court Custody Centres – progressively over a period ending in November 2001.

In the case of the Court Custody Centres, these have been aggregated into the Report on Metropolitan Court Custody Centres.

INSPECTIONS 2002/03

During 2002/03 the following prison Inspections will be carried out:

- Albany Prison, including Pardelup Prison Farm⁶
- Wooroloo Prison, (October 2002);
- Bunbury Regional Prison (December 2002);
- Acacia Prison (March 2003); and,
- Greenough Regional Prison (May 2003).

The following non-Metropolitan Court Custody Centres will also be inspected during the year:

- Albany, Kalgoorlie, Geraldton, Carnarvon, South Hedland and Broome.

With regard to prisons, the statutory obligation (*Prisons Act* 1981, s. 109L(1)) to inspect each prison at least once every three years will have been met, therefore, by May 2003. The cycle commenced with Riverbank Prison (now no longer in use) in February 2001, so that it can be seen that the core statutory obligation will have been met in the space of less than two and a half years. The same observation is true in relation to Court Custody Centres and other “custodial services”, notably prisoner transportation services.

In the last Annual Report the Office stated that it recognised “that special public interest focuses on the performance of Acacia Prison, for it is the only one in this state that is privately managed.” The Inspection will be the single most important benchmark to date of privatisation in Australia, not merely Western Australia. None of the other privately managed prisons in Australia have been assessed in quite the way that is involved in an Inspection by this Office. In this regard, the Inspection has deliberately been scheduled for a time when the prison will have been operating at virtually full capacity for one year and has been operational for a further full year before that. It is always preferable to give any newly commissioned prison – public or privately managed – a reasonable time for its processes, protocols and culture to bed down and consolidate before subjecting it to a full Inspection. Of course, should any crisis eventuate, it is always open to the Inspector to conduct an Unannounced Inspection before the scheduled date. In the case of Acacia, Inspections Officers have been in regular liaison so that there has been opportunity to make provisional assessments as to the performance of the prison.

9. THEMATIC REVIEWS

As previously mentioned, a thematic review has been commenced and is well advanced in relation to the status and conditions for protection prisoners in Western Australian prisons. Dr Keith Carter was commissioned to lead this review. The Department of Justice has recognised the importance of this topic by committing a project officer to examine the relevant issues in-house, and that person has been in contact with Dr Carter and other members of this Office. This is very much to be welcomed – an attempt by the Department to address problems even as they are being identified by the work of this Office.

Previously, a commitment had been made to conduct a thematic review into prisoner health services. The substantive reports of the Office have frequently drawn attention to major deficiencies in this area, particularly in relation to services for Aboriginal prisoners. It is apparent that custodial considerations dominate health considerations throughout most of the prison system; the sick prisoner is very much still a prisoner first and a patient as an afterthought. One of the problems is the allocation of resources;

⁶ *Pardelup Prison Farm is currently being managed as a Workcamp, though its status as a commissioned prison remains unchanged. Note also that the Walpole work camp will form part of that inspection, in line with the practice of the Office of inspecting all work camps simultaneously with their associated prisons.*

at present the Department has allocated something of the order of \$13 million per annum to the costs of such services⁷, and experience elsewhere (for example in New South Wales) would suggest that this figure would need to be approximately doubled if the services were to be brought up to the desirable community standard applicable to a population possessing the health profile of the prison population.

However, various factors have caused this thematic review to be put 'on hold' for the time being. These include changes within the Department of Health and, more importantly, the fact that the Ministers for Justice and Health agreed to the establishment of an Offender Health Council to "oversight the delivery of a comprehensive range of health care services to offenders, developed and delivered to a standard comparable with that available to the general community in equivalent, non-custodial circumstances." This move had been urged upon the Minister for Justice by the Inspector as a first means to open up discussion of the standard of prisoner health services to a wider constituency than previously. Thus, not only are appropriate high-level personnel within the Department of Health represented on the Council, as also personnel from the Department of Justice, but also the Inspector and the Director of the Office of Health Review. In a sense, the latter two office holders represent a 'consumer' point of view, something that has not previously been represented in the structural arrangements for prisoner health services. The Offender Health Council is potentially the natural forum within which to progress proposals for such things as epidemiological surveys of the prisoner population and thematic reviews of either the prisoner health system as a whole or particular aspects of it. In the circumstances, it seems preferable to try to work within this new model, rather than pursue an individualistic path.

However, the matter will be kept under rigorous scrutiny, and if the Offender Health Council does not appear to be developing in the way anticipated, then the issue will be re-visited. To be explicit: the time is overdue for Western Australia to commit to an epidemiological survey so as to obtain a reliable health status profile of the prisoner population. Only when this has been done can the true nature and extent of required services be identified and the process of fitting services to needs and prioritising outputs sensibly be commenced. New South Wales has now carried out two such surveys, Victoria carried out its first such survey in 2001, and Queensland will do so in 2002.

Consideration was also given to a thematic review relating to prisoner access to IT tools, particularly computers. There are a number of quite complex issues here, encompassing both security at one extreme and equity at the other. Two incidents drawn to the attention of the Office by the Chief Justice seem to indicate that the issues had not been properly worked through within the Department. However, shortly after it was provisionally decided to conduct such a thematic review, it emerged that the Department itself was commissioning an external review, and it seemed preferable accordingly to await the outcome of that before deciding whether to go ahead with a thematic review.

10. THE OFFICIAL VISITORS SCHEME

Reference was made in the 2000/01 Annual Report to the administrative transfer to the Office of the day-to-day administration of the Official Prison Visitors Scheme on behalf of the Minister.

An early priority was to broaden the membership of Official Visitors. There had been 32 Visitors as at 1st July 2001. Of these, fifteen either resigned, did not re-nominate or were not recommended for continuance. Fourteen have been re-appointed, and the terms of three others are still current. Eleven new appointments were made. A positive effort was made to change the gender balance so as to ensure the involvement of more women. At present, sixteen of the 28 Visitors are male and twelve female.

⁷ *It is not possible to ascertain the exact figure from the Annual Report put out by the Department. There is no separate reporting in relation to Health Services, either substantively or in the financial statements. This seems indicative of the ambivalent status of these services within the Department.*

Efforts are also being made to broaden the ethnic spread of Visitors. The greatest difficulty still has been to persuade Aboriginal people to become involved. Slight progress has been made, and the matter will continue to be high priority.

A key problem about the Scheme had been its lack of focus. Visitors were unsure of what was expected of them and what they should report. There was absolutely no standardisation. In November 2001 a one-day training session was held, attended by most Visitors. To consolidate training, the first visit of newly appointed Visitors takes place in the company either of an Inspections Officer or another, more experienced Visitor. Official Visitors are also invited to attend the de-brief in relation to the Inspection of the prison to which they have been appointed.

These and other matters relating to the modus operandi of the Scheme have been developed into a Protocol, the final terms of which were negotiated with the Department of Justice. It will be reviewed and amended as from 1st January 2003 in the light of experience.

During the year, 68 separate reports have been received from Official Visitors. The procedure within the Office is to summarise these, and to send them on to the Director General of the Department to enable response or comment. The summary plus the Department's response is then sent on to the Minister, with the full reports attached and the most cogent matters highlighted. An additional 55 visits are scheduled to take place between 1st July and 31st December 2002.

Information derived from these reports has assisted the Office in its liaison role with prisons, as well as in preparing Inspection plans. Matters have also been passed on to the Ombudsman and the Office of Health Review for appropriate action.

In summary, the scheme has been transformed into an effective mechanism for community accountability of the prison system.

11. THE COMMUNITY CONSULTATIVE COUNCIL, OTHER COMMUNITY LINKS AND RELATIONS WITH OTHER AGENCIES

The Community Consultative Council, established during 2000/01, has continued to meet regularly. At the final meeting of 2001, members expressed a wish that meetings should be more frequent, and six meetings have accordingly been scheduled for 2002. Matters which most concerned members during the year included: (a) imprisonment issues relating to Aboriginals and 'special needs' groups such as women; (b) decisions as to transfers, the conditions of transport to and from prisons, and such intra-prison matters as shackling during movements; and (c) loss of privileges. Great interest was also shown in the advance briefings members received as to the content of Inspection reports.

The Office has also strengthened its links with ATSIC. The State Government's decision to enter into a Compact with this peak Aboriginal body⁸ both reflected and stimulated further the evolving relationship. The Inspector considers that the voice of Aboriginal Australians, however expressed and through whatever group (for example, the Aboriginal Legal Service), is essential to the effective functioning of this Office.

Appropriate links have been maintained not only with the other governmental agencies specifically nominated in the legislation (the Ombudsman, the Anti-Corruption Commission and the Director of Public Prosecutions) but also others, notably the Office of Health Review, the Equal Opportunity Commission and the State Coroner. In addition, the Inspector has maintained good communication with the heads of the relevant Courts – the Chief Justice, the Chief Judge and the Chief Stipendiary Magistrate.

⁸ *'Statement of Commitment to a New and Just Relationship between the Government of Western Australia and Aboriginal Western Australians' (2001).*

The relationship with the Ombudsman should perhaps be highlighted. The incoming Ombudsman (Ms Deirdre O'Donnell) readily agreed to supply disaggregated and de-identified data relating to prisoner complaints to the Office on an ongoing basis and, as required, for particular inspections. For its part, the Office has smoothed its processes for passing on prisoner complaints to the Ombudsman.

The Office's website has been markedly improved and made more 'user friendly'. Access has increased steadily – though the profile is still less prominent than is ideal. On the other hand, the Inspector has encountered good awareness of the Office and its activities in his contacts with various people at national and international conferences and in correspondence. For example, expositions at both the International Corrections and Prisons Association conference in Perth (October 2001) and the British Society of Criminology conference (July 2002) revealed that the Office's modus operandi and achievements were matters of considerable interest internationally.

12. PROGRESS AND PROBLEMS WITHIN THE DEPARTMENT OF JUSTICE

STRUCTURAL RACISM

In the previous Annual Report, attention was drawn to the structural racism present within some of the Department of Justice's prisons. By 'structural racism', the Inspector meant that conditions existed that simply would not be tolerated if non-Aboriginal prisoners were the predominant user group. It was not alleged that the Department or any members were setting out to be racist in their attitudes or practices. Structural racism is identified by outcomes, not intentions. Four so-called Aboriginal prisons were identified as falling into this category.

It is pleasing to be able to acknowledge that the Department has made tangible progress during the last year. The Unannounced Inspection of Eastern Goldfields Regional Prison resulted in the commitment of major resources for upgrading the accommodation. The Follow-Up Inspection of February 2002 found that the Department had genuinely committed itself to widespread improvement, though at this time it remained more of a plan than a reality.⁹ The situation in Broome was not dissimilar. Following the Inspection of June 2001, some worthwhile refurbishment took place. In the case of Roebourne, liaison visits by the Office had revealed chronic problems, and the Department purportedly commenced responding to these even before the Inspection of April 2002. However, in this particular case the improvements that have actually occurred were so fragile that the Inspector decided that a Follow-Up Inspection would be required within 12 to 15 months to ascertain to what extent promised changes have been implemented.

All this is to the good, but there remain important cultural and attitudinal issues. At Broome these are epitomised by the refusal of the Department to discontinue the unacceptable practice of shackling maximum or medium security prisoners during medical consultations within the prison. The prisoners in question are overwhelmingly Aboriginal. More broadly, the failure of the Department to recruit Aboriginal staff in sufficient numbers¹⁰ is a disappointment. However, it should be acknowledged that the recent "Prisons Division Strategic Plan for Aboriginal Services 2002-2005" commits the

⁹ As recently as 15/16 August 2002, Office personnel paid a liaison visit to Eastern Goldfields Prison. They reported to the Inspector that "whereas it was easy to conclude that the prison twelve months ago was a racist prison, such a label would not now readily spring to mind." This is very much to the credit of the Department.

¹⁰ The last school for new prison officer recruits graduated in late 2000. This contained 17 Aboriginal persons – by far the best effort that the Department has ever made to address its imbalance in employment patterns. However, because of the Department's overall inability to afford further recruitment, this effort has not been maintained in relation to prison officers. A comparable effort is not yet apparent in relation to other areas of recruitment.

Department to the objective of having “the percentage of Aboriginal employees reflect the proportion of Aboriginal clients”. This is laudable, though the Inspector well understands that the achievement of such an aim is highly ambitious.

The most significant current area of Aboriginal employment within the Department is the Aboriginal Visitors Scheme. The essential purpose of the Scheme is two-fold: (i) to provide some welfare, comfort and assistance to Aboriginal prisoners, and (ii) to feed back to the Department information about unsuitable practices in relation to Aboriginal prisoners and then to scrutinise the implementation of change and improvement. The second of these functions has been somewhat compromised – as many Aboriginal Visitors have themselves told this Office – by the fact that Department is the paymaster of the Visitors themselves. There are structural inhibitions about speaking out. This has been exacerbated by arrangements within Head Office that have in the past been somewhat antagonistic to suggestions for change. It is hoped that this situation will progressively improve, pursuant to some organisational and personnel changes made within the Department.

THE ROLE OF HEAD OFFICE AND RELATIONS WITH STAFF

It was noted in the previous Report that “the Inspector was not aware of an organisation where the alienation [from Head Office] is expressed so constantly and so bitterly and with such minimal sense of caution in talking to outsiders”. In other words, there was at that time wide demoralisation amongst the workforce.

The Director-General has expressed his disagreement with this assessment, and his view should be put on the record. Nevertheless, in the Inspector’s perception this observation still possesses some validity. Each prison inspection is preceded by the distribution of a survey questionnaire to all staff on a confidential basis. Analysis of responses always reveals essentially the same story –frustration in the workplace, a sense of being under-valued, resentment at the lack of investment in relevant training, anger at the apparent readiness of senior management to create high level desk jobs at Head Office, and yet despite all this a real desire to be empowered and encouraged to do a really good job. Of course, there are some individuals who have reached such an advanced stage of bitterness and disillusionment as no longer to be reclaimable. However, broad human resources policies should not be driven by undue focus upon this portion of the work force.

In the course of the de-brief session following the Roebourne Prison Inspection, the Inspector suggested that the Department should initiate an external review of its HR policies and the performance of the HR Branch within the Department. Subsequently, the Office became aware that an external review was in fact taking place. This is a very welcome initiative. It is hoped that this process may be the starting-point for a fresh and inclusive approach towards human resources policies and practices within the Department.

A final point concerns Head Office costs. These are intimately bound up with centralisation, and constitute a useful litmus test of whether there has been sufficient devolution of authority. A recent UK review commissioned by the Home Office¹¹ adversely criticised HM Prison Service on the basis that Headquarters functions absorbed over 8 per cent of total budget. By contrast the US Federal Bureau of Prisons spent 3.4 percent of budget on such functions and a German jurisdiction that the author, Patrick Carter, examined spent even less than that. Carter stated:

The Prison Service should review the role of Headquarters. The aim should be a significant reduction in size. An operational organisation... ought to ask itself how, and in what areas, Headquarters can add value; what functions are most appropriately centralised and why.

¹¹ Carter, P., “Review of PFI and Market Testing in the Prison Service”. (January 2001)

The author also drew attention to the enormous difficulty of reliably estimating Headquarters costs, implying that some of them might well be buried in other items: "The lack of clarity about the role and function of Headquarters makes it very difficult to achieve the necessary level of transparency".

In the case of the Department of Justice, the Head Office costs in relation to adult offenders is said to be of the order of 8 per cent - \$19.5 million out of \$242 million.¹² Taking that figure at face value, it exceeds that which Carter regards as acceptable. An alternative perspective is that this Office finds in some inspections that the cost per prisoner is split about 50/50 between costs incurred at the prison and costs incurred elsewhere within the organisation.

The Department does not yet seem to have embarked upon the difficult and challenging task of answering the questions of the sort posed by Carter – and raised in the Inspector's last Annual Report – about a balanced role for Head Office. This is a matter of concern for the Inspector in that, if there is non-productive expenditure in Head Office, there are correspondingly fewer funds available for core activities that bear upon prisoner services and key outcomes. The Director General and his staff have been understandably preoccupied with stabilising the Department after the problems it experienced during the early and middle part of the 1990s. However, the time has now come when the role and cost of Head Office should be rigorously addressed.

MANAGING THE PRISON POPULATION DOWNWARDS

Since the Labor Government came to power in February 2001, the prison population has fallen from a peak of 3200 to 2756 (as of 27th June 2002). This is the best news that has occurred in the Western Australian prison system for decades.¹³

However, it brings with it some difficult problems. For at the same time as the overall prison population has been falling, Acacia Prison has been commissioned. Its population on 27th June 2002 was 654.¹⁴ In other words, the population of the public sector prisons has decreased by approximately 1100 – from 3,200 to 2,100 – in the last sixteen months, i.e. a loss of 450 from the overall population and of 650 to Acacia. This was not anticipated in the planning of Acacia Prison and, on the state of current knowledge as to projecting prison populations, it is doubtful if it could ever have been anticipated.

The Department has thus in effect been forced to embark upon a prison closure program. The first prison to be closed was Riverbank; this followed upon the Office's recommendation in the Inspection Report that it should either be properly funded and re-furbished as a small, special needs prison for medium security males, or should be closed.¹⁵ Pardelup Prison has also been closed, (though not de-commissioned), and is now a work camp serviced by about 20 minimum-security prisoners out of Albany. Even so, Albany itself has had to close down one wing. Greenough Prison has more or less sustained its population by becoming the temporary home for some Bandyup women prisoners, whilst Bandyup itself is in the course of renovation. However, that process will come to an end early in 2002/03 and Greenough too may well be faced with the dilemma of closing down a Wing or Unit. Hakea Prison has also closed down a Unit. Other prisons, such as Wooroloo and Karnet and Bunbury, have each experienced a reduction in the prison population.

The Department of Justice funding model is related directly to the number of prisoners (a formula developed at a time when the prison population seemed to be increasing exponentially, and thus

¹² *Annual Report, 2000/01, page 144.*

¹³ *Reference was made in the 2000/01 Annual report to the Department's own positive contribution to the development of policies for reducing the rate of imprisonment.*

¹⁴ *As this report is being finalised on 30th August 2002, the Acacia population has risen to just over 700.*

¹⁵ *See the 'Report of an Announced Inspection of Riverbank Prison', Recommendations 1-3. July 2001.*

favourable at that time). Accordingly, there has been great stress in absorbing these reductions. It does not seem to be thoroughly understood at Commonwealth level, where the Productivity Commission develops benchmarks that drive allocations of funds to the States, that the costs of running prisons do not diminish *pro rata* with prisoner numbers. Nor is it appreciated that the very nature of imprisonment in this State – where there must be small prisons scattered throughout the regions to cater for local populations – means that national cost-base formulae derived mainly from the data of smaller states cannot be applied indiscriminately. In other words, the Department has been confronted with real hurdles in getting its case across.

Accordingly, the only short-term way in which it can reduce its outlays relates to the salary budget. This has inevitably led to some tensions and divisions within the workforce and across the Department. It is very complicated and difficult.

The situation has, in the view of this Office, been exacerbated by wrong choices as to which prisons to close or reduce in population. In particular, the closure of Pardelup is regrettable. Pardelup had been an outstanding resettlement prison – i.e., one where prisoners in a minimum-security setting are enabled to develop work habits and enhance skills that should stand them in good stead upon release.

Paradoxically, there had been not insubstantial capital expenditure on the prison shortly before the closure decision was made. The consequence of the closure of Pardelup has been that there seem to be insufficient minimum-security beds in the state.¹⁶ Some prisoners have been ‘parked’ at Acacia (a medium security prison) whilst awaiting a place at a minimum-security prison. Others have been creeping back into Casuarina Prison – something for which, above all, that prison is ill equipped.

At this stage, the best view is that these anomalies are teething problems, as the Department comes to cope with the unprecedented situation of population reduction. On the positive side, after some strong urging from this Office the Department has commenced a process of re-profiling each prison from the point of view of identifying its core purpose and role within the total system. This is to be welcomed and should provide for the future reliable benchmarks and guidelines for the disposition of the prison population. The Office will continue to keep a watching brief upon this matter.

CAPITAL IMPROVEMENTS

Considerable funds have been expended or allocated during the past year by the Department on a Capital Works Program. The most substantial related to Hakea Prison where a \$30 million plus refurbishment program has now been completed. The Inspection of that prison in March 2002 revealed that the operational impact of this has not yet been fully understood or absorbed into processes and practices. The joining up of two discrete establishments – the CW Campbell Remand Centre and the Canning Vale Industrial Prison – has not been accompanied by cultural integration. In some ways the management systems remain dysfunctional. Again, the kindest interpretation of this is that it represents teething problems. However, the observations during the Inspection were that the problems go far deeper than one would wish. This issue will be explored in detail in the forthcoming Inspection Report.

¹⁶ *The Department states that this is incorrect, that there are vacancies for minimum security prisoners particularly at Wooroloo Prison. Some minimum-security prisoners, it is said, must remain in secure accommodation for protection reasons or for programs. Neither of these reasons is good enough: protection prisoners should eventually be able to be returned to mainstream and there is no basis for not delivering programs in minimum-security prisons. The Department does concede that “some minimum prisoners ... have not been moving as quickly as they should to minimum-security facilities and we are in the course of sorting that out.” Regardless of these claims, the fact is that the best re-settlement prison in the W.A. prison system is no longer functioning in that way.*

The other major expenditure has occurred at Bandyup Women's Prison. Some \$14 million has been outlaid on new accommodation and other service areas. Rather as with Hakea, the Inspection of that Prison in June 2002 suggested that the cultural and regime implications of this had not been sufficiently thought through at this stage. The Department seems to be aware of these difficulties, and the Inspector welcomes the changes that have started to be made to the management structure and personnel at that prison. For an interim period, the senior management team was exclusively male – something that is egregiously inappropriate for the major women's prison in the state. Moves have now been made to change this, and also the Department has reiterated its commitment to the appointment of a Director of Women's Services.

In that regard, reference should be made to the plans for the development of a minimum security re-settlement prison for women on the site of the former Longmore Detention Centre. This site is adjacent to the present facility at Nyandi, and it is intended that during the transitional stage there will be operational linkages between the new prison and the existing one. The impetus for the planning of the new prison has come directly from the Minister, and the Department has responded by establishing a high-level planning group. The Inspector very much welcomes the fact that the Office's own staff members – particularly Ms Lynn Atkinson, Ms Jocelyn Jones and Ms Natalie Gibson – have been invited to participate in this process. This seems to epitomise the constructive interactivity that is beginning to develop between this Office and the Department. At this stage, of course, it is impossible to predict with certainty how it may all work out, but certainly the planning process gives ground for considerable optimism.

In the last Annual Report, reference was made to the problems surrounding the question of a new regional prison. It was commented that this had not been adequately conceptualised, nor had the groundwork been explored thoroughly by the Department. In particular, there did seem to be a tendency to look for a site-driven solution (land was conveniently available in the Broome area), rather than assessing competing needs on the merits. The Department now seems to be committed to exploring possibilities more thoroughly. In doing so, it must look to the claims of the Eastern Goldfields – where the existing prison despite recent renovations remains the worst in the state – and also the Pilbara. This project cannot really be responsibly taken forward without a great deal more consultation and analysis of correctional needs than has so far occurred. The Minister indicated during the year that he expected there to be holistic analysis of the competing issues and priorities before the matter would be progressed.

SUICIDES, WOMEN'S POLICY, ABORIGINAL POLICY, HEALTH SERVICES AND HUMAN RESOURCES POLICIES

Reference has been made at various points to the Department's efforts to re-visit and improve its policies and practices with regard to women prisoners, health services and human resources. There is a long way to go in each of these areas; but the important thing is that efforts are positively being made. The same comment is valid in relation suicide prevention approaches and Aboriginal policy. The Inspector welcomes the fact that these matters are being addressed, even though he does not necessarily agree with some of the detail. There is certainly a greater willingness within the Department to try to confront difficult issues creatively than was the case at the time of the last Annual Report.

13. SUMMARY

The Inspector believes that the Office can be said already to have made a positive impact upon prison and custodial services in Western Australia. Whilst there is inevitably some occasional tension with the service providers, this is on the whole creative rather than disruptive. The Department of Justice has not always been particularly happy with some of the criticisms that are made, but it does recognise the legitimacy and propriety of this approach to accountability and acknowledge that it brings some positive benefits. For its part, the Office endeavours to avoid point scoring about trivia or ephemera, concentrating on major and strategic issues.

More broadly, the low point in Western Australia's imprisonment policies, reached in the aftermath of the Casuarina Riot of 25th December 1998, seems to be behind us. The Inspector will endeavour to ensure that this apparent trend is maintained and the momentum increased.

A handwritten signature in blue ink, reading "Richard W. Harding". The signature is written in a cursive style with a large initial 'R' and a long, sweeping tail.

Richard W. Harding
Inspector of Custodial Services
30th August 2002.

Part Two

Corporate Matters

1. CORPORATE ETHOS

GOVERNMENT OUTCOMES

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

VISION

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

MISSION

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

CORE BUSINESS

PRISON INSPECTIONS AND REVIEW OF OTHER PRISON AND CUSTODIAL SERVICES

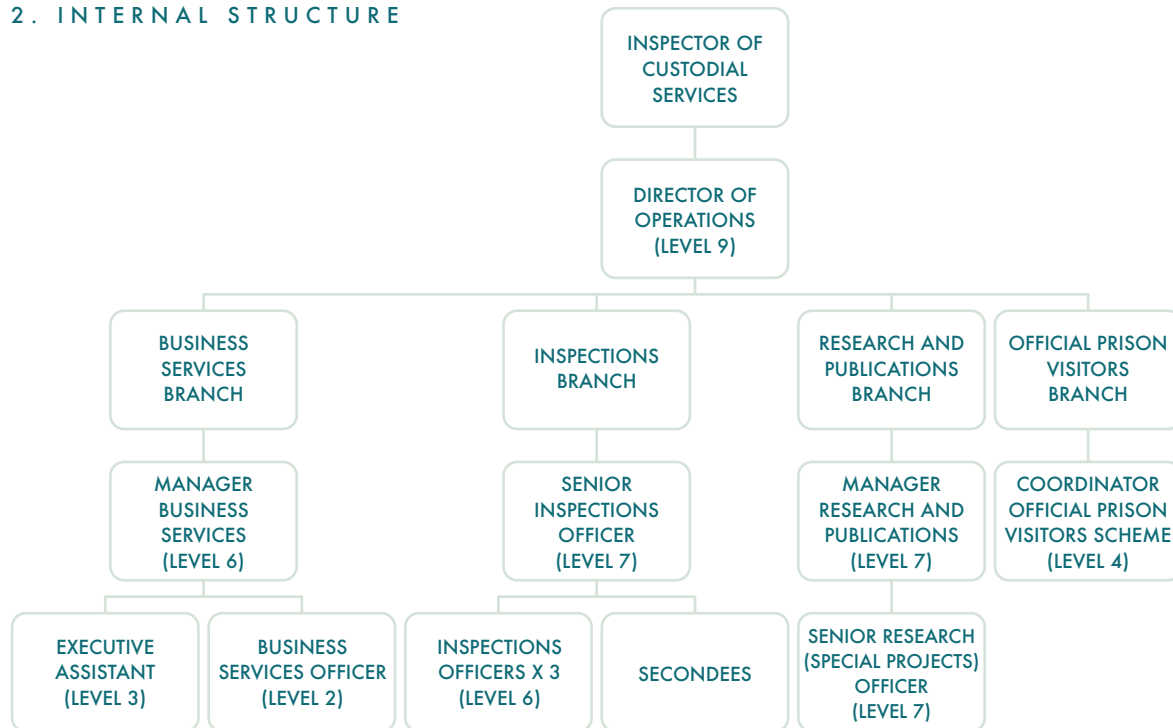
THEMATIC REVIEWS

REPORTS TO PARLIAMENT

COMMUNITY INFORMATION

ADMINISTRATION OF THE OFFICIAL PRISON VISITORS SCHEME

2. INTERNAL STRUCTURE



3. ENABLING LEGISLATION

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

4. LEGISLATION ADMINISTERED

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

The Office does not administer any legislation, although its functions are performed under Part XA of the *Prisons Act* 1981. The 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.

5. RESPONSIBLE MINISTER

The Hon. J.A. McGinty, B.A., B. Juris(Hons), LL.B., J.P., M.L.A.

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

- To ensure that our objectives and desired outcomes are achieved, the Office provided the following:
- Draft reports are provided to the Department of Justice and other relevant departments to provide opportunities either orally or in writing in relation to the subject matter of these reports.
- Relevant matters are referred to a variety of public sector agencies where, in the opinion of this Office, those agencies have primacy of jurisdiction.
- Provision of custodial services advice to the Minister for Justice.
- The Office maintains a mail-out list to encourage other public sector agencies and office holders in WA to be aware of the custodial services findings of this Office.

7. SENIOR OFFICERS

Professor Richard Harding (The Inspector of Custodial Services)

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

Robert W Stacey (Director of Operations)

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

8. PUBLICATIONS

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

OPERATIONAL REPORTS

- Report No.1 – Report of an Unannounced Inspection of the IOU and the SHU at Casuarina Prison
- Report No.2 – Report of an Announced Inspection of Riverbank Prison
- Report No.3 – Report of an Announced Inspection of Adult Prisoner Transport Services
- Report No.4 – Report of an Unannounced Inspection of Eastern Goldfields Regional Prison
- Report No.5 – Report of an Announced Inspection of Karnet Prison Farm
- Report No.6 – Report of an Announced Inspection of Broome Regional Prison
- Report No.7 – Report of an Announced Inspection of Metropolitan Court Custody Centres

ANNUAL REPORTS

- 1999/2000 Annual Report
- 2000/2001 Annual Report

9. CONTRACTS WITH SENIOR OFFICERS

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

10. HIGHLIGHTS OF THE YEAR

- Recruitment of new Official Prison Visitors and integration of their activities with the principal inspection role of the Office.
- Productive secondment arrangements for career development purposes between the Department of Justice, the Department of Indigenous Affairs and the Aboriginal and Torres Strait Islander Commission.

- Determination by the Office to research and develop discussion papers on a range of prison service issues (other than thematic reports intended for Parliament).
- Commencement of a thematic review of prisoner protection policies and practices, which is approximately 50 per cent complete. The review is being led by an expert who is usually based in the United Kingdom.
- Publication and lodgement of seven reports in Parliament.
- Regular liaison visits to prisons conducted by inspection officers.
- Five Reports tabled in Parliament and three others having been completed to the Inspector's satisfaction.
- Approval by the Minister to establish an oversight committee to consider the overall strategies and the future of prisoner health services.
- An increase in the frequency of meetings of the Community Consultative Committee at the request of the Community Consultative Council (demonstrating the active participation of its members).
- Two expert inspectors from the United Kingdom attracted to participate in complex Western Australian inspections.
- Hosting of visits by the Inspector General of Custodial Services of New South Wales and the Director of Review and Monitoring Services in Victoria who attended Western Australia to observe the methodology of the Office.
- Co-sponsoring of the International Corrections and Prisons Association for the Advancement of Prisons Correction (ICPA) 3rd annual conference held in Perth during October and November 2001. This is an international not-for-profit association incorporated in Canada.
- Invitations to the Inspector to speak at national and international conferences to explain the objectives, modus operandi and achievements of the Office.

11. CHANGES IN WRITTEN LAW

There were no major changes in any written law that affected the Office during the financial year. However, an amendment to section 66 of the Prisons Act 1981 potentially impacts upon the operations of the Office and a MOU is currently being negotiated to structure and manage its possible scope.

12. MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

13. STAFF PROFILE

	2002	2001
Full-time permanent	10	10
Full-time contract	1	1
Part-time measured on a FTE basis	0	0
On secondment	3	0
	14	11

14. EQUAL EMPLOYMENT OPPORTUNITY

The Office is committed to equal opportunity in employment.

Classification	Occupational Group	Female	Male	Total
Level 2	Business Services	1		1
Level 3	Business Services	1		1
Level 4	Operational	1		1
Level 6	Operational	1	1	2
Level 6	Business Services		1	1
Level 7	Operational	2	1	3
Level 9	Operational		1	1
Salaries & Allowances	Operational		1	1
Secondees	Operational	2	1	3
Total		8	6	14
Ratio		57%	43%	100%

15. WASTE PAPER RECYCLING

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

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

16. FREEDOM OF INFORMATION

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

17. STAFF DEVELOPMENT

The Office has regular guest presenters on topics of relevance and has encouraged staff to continue with relevant post-graduate tertiary qualifications.

18. WORKERS COMPENSATION

No compensation claims were recorded during the financial year.

19. CONTINUING RESEARCH AND DEVELOPMENT

This Office employs a Manager of Research and Publications with key responsibilities for research.

20. MAJOR PROMOTIONAL, PUBLIC RELATIONS OR MARKETING ACTIVITIES

- Hosting of visits by the Inspector General of Custodial Services of New South Wales and the Director of Review and Monitoring Services in Victoria who attended Western Australia to observe the methodology of the Office.
- Co-sponsoring of the International Corrections and Prisons Association for the Advancement of Prisons Correction (ICPA) 3rd annual conference held in Perth during October and November 2001. This is an international not-for-profit association incorporated in Canada.
- Presentation of papers at interstate and international conferences.
- Presentation at custodial officer training courses.

21. PRICING POLICIES ON OUTPUTS

The Office does not charge for goods and services rendered.

22. ELECTORAL ACT 1907 SECTION 175ZE

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

The details of the report are as follows:

Expenditure with Advertising Agencies	\$3,245
Market Force Australia	
The Ministry of the Premier and Cabinet	
Expenditure with Market Research Agencies	\$0
Expenditure with Polling Agencies	\$0
Expenditure with Direct Mail Agencies	\$0
Expenditure with Media Advertising Agencies	\$0
Total Expenditure	\$3,245

23. LEGISLATION IMPACTING ON THE OFFICE'S ACTIVITIES

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

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

Crime (Serious and Repeat Offenders) Sentencing Act 1992

Criminal Code

Criminal Law (Mentally Impaired Defendants) Act 1996

Electoral Act 1907

Equal Opportunity Act 1984

Evidence Act 1906

Fines, Penalties and Infringement Notices Enforcement Act 1994

Government Employees Superannuation Act 1987

Industrial Relations Act 1979

Interpretation Act 1984

Justices Act 1902

Library Board of Western Australia Act 1951

Minimum Conditions of Employment Act 1993

Occupational Health and Safety Act 1984

Parole Orders (Transfer) Act 1984

Prisoners (Interstate Transfer) Act 1983

Prisoners (Release for Deportation) Act 1989

Disability Services Act 1993

Public Sector Management Act 1994
Racial Discrimination Act 1975
Sentence Administration Act 1995
Spent Convictions Act 1988
State Records Act 2000
Workers Compensation and Rehabilitation Act 1981
Young Offenders Act 1994

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

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

COMPLIANCE WITH PUBLIC SECTOR MANAGEMENT ACT SECTION 31(1)

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

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



Professor Richard Harding
Inspector of Custodial Services
23 July 2002

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Email: corporate@custodialinspector.wa.gov.au
Website: www.custodialinspector.wa.gov.au

Certification of Performance Indicators for the year ended 30 June 2002

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Office of the Inspector of Custodial Service's performance, and fairly represent the performance of the Office of the Inspector of Custodial Services for the financial year ended 30 June 2002.

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

Professor Richard Harding
Accountable Officer
23rd July 2002



AUDITOR GENERAL

To the Parliament of Western Australia

**OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2002**

Matters Relating to the Electronic Presentation of the Audited Performance Indicators

This audit opinion relates to the performance indicators of the Office of the Inspector of Custodial Services for the year ended June 30, 2002 included on the Office's web site. The Inspector of Custodial Services is responsible for the integrity of the Office of the Inspector of Custodial Service's web site. I have not been engaged to report on the integrity of the Office's web site. The audit opinion refers only to the performance indicators named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these performance indicators. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance indicators to confirm the information included in the audited performance indicators presented on this web site.

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, 2002 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, 2002.

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

D D R PEARSON
AUDITOR GENERAL
August 30, 2002

24. OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

The statements as to the Office's Outcome, Mission, Key Effectiveness Indicators and Key Efficiency Indicators contained in the 2000/01 Annual Report were derived from a very short period of operational experience. In the event, they do not adequately represent the reality of the Office's activity and capacity. Nevertheless, Treasury and Auditor-General processes and directives require that, for the record, 2001/02 activities be measured against those measures, and these are set out at the end of this Section.

It is far more important, however, to look ahead and explore how these matters may be improved. The Office has now been active for a complete year, and it is appropriate to revise and refine each of these matters in the light of evolving practice. Government protocols operate in such a way that the revisions will not take effect for a further year, i.e. until 2003/04. Thus, although the previous statements remain valid for 2002/03, the new formulae set out below will be the base from which to develop more meaningful indicators for 2003/04, and will have a bridging significance in evaluating activities for 2002/03.

OUTCOME

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

Note

"The treatment and conditions of prisoners" is a qualitative as well as a quantitative concept, and it looks to outcomes as well as inputs and outputs. There are many aspects of prison life that are readily quantifiable, such as out-of-cell hours, employment rates, positive drug test figures, participation in offender treatment programs, and so on; and there are matters transcending these that are less readily quantifiable, such as the key matter of recidivism rates or the cultural appropriateness of services and regimes. The Office of the Inspector inspects against a combination of benchmarks – the Department's "new operational philosophy"; the "healthy prison test" favoured in the UK; international standards such as the European Prison Rules, the United Nations Standard Minimum Rules and the International Handbook on Good Prison Practice; and national derivatives of international instruments, in particular the Standard Guidelines for Corrections in Australia.

In the final analysis, a prison regime must meet acceptable human rights standards and should provide correctional value-for-money – a notion that encompasses outcomes, not merely financial inputs. To make this point absolutely clear: *a key objective of a modern prison system should be to improve outcomes, and there is absolutely no purpose or virtue in reducing the costs of running a prison system if the outcomes are not improved.*

The Office of the Inspector reports to two Parliamentary Committees – the Legislative Assembly Community Development and Justice Committee and the Legislative Council Standing Committee on Finance and Administration. Other Parliamentarians receive briefings, as requested. The Office has also established its own Community Consultative Council, which represents a wide cross-section of stakeholders and interested parties and which meets six times per annum. Regular contact is maintained with local and national media with regard to the activities of the Office.

KEY EFFECTIVENESS INDICATORS

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

Note

The formal statutory expectation contemplates that a completed report is one that has been tabled in Parliament, and that is obviously a prime indicator. However, it is not in itself adequate; the flow of work spills over financial and calendar years. For internal purposes the Office has now categorised its work into five categories: Published Reports (i.e. submitted to and tabled in Parliament); Lodged Reports (sent to the relevant Parliamentary officers and awaiting tabling); Prepared Reports (at the printer); Draft Reports (either back from the Department of Justice with comments and involved in the final editorial process, or with the Department of Justice for comment); and Reports in Preparation (the inspection having been completed but the drafting process not completed). Commentary in the Annual Reports will in future identify Reports by these categories as at 30th June each year.

The acceptance of recommendations indicates that the Department has turned its mind to their implications, though implementation may be partial or complete, immediate or deferred.

The Office has developed ten separate categories of recommendation. It is recognised that any given recommendation may fall across more than one category, so it is necessary to assign each one a primary characteristic. Also, expectations of acceptance will vary between categories.

The attached matrix indicates the level of acceptance that the Office would consider represents a sufficient response by the Department of Justice. The basis for the suggested figures is as follows: in the case of basic issues of human rights or racism (100% items), there is no acceptable basis for the Department to reject a recommendation; in the case of the “management” ones (50% items), one can expect views as to how to achieve outcomes legitimately to vary and ultimately it is for the Department to manage and accept responsibility for these matters; and in the remainder (75% items) a high level of compliance would be expected, with disagreement only arising on matters of detail.

Previously, the Office had aggregated each category of recommendation for the purpose of acceptance, but in the light of experience it is now clear that this approach was not sensitive enough. The Office has now retrospectively re-categorised the recommendations contained in the Reports that were tabled or otherwise completed during 2001/02, and for purposes of illustration has now estimated the acceptance and/or implementation rates.

Type of recommendation	Percentage that should be accepted	Number in Reports tabled or completed in 2001/2002	Number and (percentage accepted) to date
1. Custody and security	75%	7	6 (86%)
2. Care and wellbeing	75%	14	14 (100%)
3. Health	75%	4	3 (75%)
4. Rehabilitation	75%	7	6 (86%)
5. Reparation	75%	3	2 (67%)
6. Human rights	100%	5	3 (60%)
7. Racism, Aboriginality and Equity	100%	5	5 (100%)
8. Administration and accountability of DOJ	50%	22	21 (95%)
9. Staffing issues	50%	12	11 (92%)
10. Correctional value-for-money	50%	7	6 (86%)

Overall, 86 recommendations were made in these eight reports and 77, or 90 per cent, were accepted. This is a gratifyingly high acceptance rate, and would seem to indicate that a mutually beneficial relationship is evolving. Of course, further experience may reveal that the Department is more, or less, receptive and compliant in some areas. However, at this stage the figures are statistically non-significant, and it is premature to attempt to identify any trends.

Future Inspection Reports will categorise recommendations into these broad categories, so as to assist the task of following trends in effectiveness.

Note also that the question of implementation is distinct from but overlaps with acceptance. Some accepted recommendations are in the event either not implemented or only partially implemented. Also, some recommendations are directed towards two or more parties (typically the Department and AIMS), one of whom accepts them and the other of whom does not. Also, some formally rejected recommendations are actually implemented on the ground; the most notable example of this so far related to the Report on the Special Handling Unit at Casuarina Prison, where three rejected recommendations relating to custodial issues were in fact implemented once they were better understood. In future, the Office will also, as part of its discussion of Key Effectiveness Indicators, include implementation data in its Annual Reports.

KEY EFFICIENCY INDICATORS

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

Note

The previously agreed indicator referred to the “cost of a recommendation”. In the context of the actual operations of this Office, this has been further refined in order to develop a more meaningful criterion. The operations of this Office vary considerably from those of other agencies, where the average cost of dealing with a complaint or case actually bears some direct relationship to staffing needs and thus the mean costs (as, for example, in the Office of the Ombudsman or the Commissioner for Equal Opportunity or the Office of Health Review).

In the first Report produced by the Office, it was stated:

“[Our] philosophy with regard to making recommendations needs to be explained. 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.... 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 compliance audits, but strategic assessments. That being so, we look to the [Department] to respond in a strategic manner.

...

It follows from this that, when we do make recommendations, it will be understood that we regard the matters covered as having high priority. We would expect that these recommendations would be rejected or ignored only in quite unusual circumstances.... In summary, we wish to avoid a situation where we make a plethora of recommendations that are inadequately differentiated as to their importance.”

This philosophy has proved robust and remains valid, as the Acceptance Matrix set out above would seem *prima facie* to indicate. From the point of view of Key Efficiency Indicators, it is crucially important. By deliberate choice *and with a view to optimising effectiveness*, the Office has sought to minimise the number of recommendations. That inevitably means that the notional cost per

recommendation is thereby increased, demonstrating that such a measure of efficiency is not informative. To put the same point conversely, this Office could decrease the notional cost of recommendations by increasing their number – which in turn would mean focussing on operational and ephemeral matters rather than strategic and enduring ones. Such a decrease would also *decrease efficiency*, even though it would apparently reduce the cost per recommendation and thus falsely give the appearance that the Office was providing greater value-for-money.

In this regard, as with Key Effectiveness Indicators, the passage of a full operational year and the development of a deeper understanding of the appropriate *modus operandi* for the Office has caused the Inspector to make some changes.

It is now apparent that there are eight main types of activity emanating from the Office. These are:

- Major announced prison inspections;
- Short follow-up prison inspections;
- Major unannounced prison inspections;
- Court custody centre inspections;
- Inspections of other custodial services;
- Thematic reviews of prison services or custodial services;
- Prison liaison visits, as part of the Inspector's policy of "continuous inspection"; and
- Organisation of prison visits by Official Prison Visitors and analysis of their reports.

Only two of these functions – major announced prison inspections and court custody centre inspections – are *mandated* by statute. It is required that they be inspected "at least once every three years" (*Prisons Act* 1981, s. 109I(1); *Court Security and Custodial Services Act* 1999, s. 85(1)). There are thirteen prisons in Western Australia¹ and eighteen court custody centres that are within the Inspector's jurisdiction. That means that at least four, and sometimes five, prisons must be the object of a major announced inspection annually, as well as at least six court custody centres.² It is perfectly sensible, therefore, to specify these matters for the purpose of determining a Key Efficiency Indicator.

The remainder are statutorily authorised (or, in the case of the function relating to Official Prison Visitors, administratively authorised) but not mandated. It is important to understand that the authorised but not mandated activities are very much a matter for the Inspector's judgement from time to time.

For example, major unannounced inspections only occur as and when they seem to the Inspector to be necessary. (To date, there have been two – in December 2000 and August 2001.) Guidelines have evolved within the Office, mainly but not exclusively revolving around the notion of a "failing" prison. But these guidelines are not tantamount to rules; it is always a judgment call by the Inspector, one that must be made in the public interest. That being so, it is impossible to predict or commit to an "output" – i.e. a specific number of unannounced inspections – in any given period. Indeed, to do so would be positively inappropriate, diminishing the role for professional judgement as to how and when and why to carry out this significant function.³

¹ That figure treats Nyandi as separate from Bandyup Women's Prison, regards Pardelup as a mere work camp rather than as formerly a prison, and disregards the continuing status of Riverbank as a commissioned prison as it currently has no prisoners.

² In practice, court custody centres are inspected in aggregated blocks; for example, in 2002 seven Metropolitan centres were inspected as a group.

³ Paradoxically, the stage could be reached where, because of the effectiveness of the Office's other activities, unannounced inspections may become virtually redundant.

Similarly, short follow-up inspections and thematic reviews are matters of judgement. However, unlike unannounced inspections these can be subjected to some degree of predictability as to need and frequency. That is also the case with prison liaison visits and Official Prison Visitor activities.

It is expected that the Office will soon have two additional outputs: the publication of Discussion Papers relating to prison services or custodial services, and the inspection of juvenile detention facilities. The first of these will be discretionary; the second statutorily mandated as to frequency.

Pending this, it is possible to begin to attempt to quantify the other outputs and, thereafter, to cost them. However, in doing so, it must be understood that those outputs that are dependent on judgement calls by the Inspector will vary from year to year and that, in those years where they do not occur, there will be a consequential and matching increase in the intensity or range of other activities. In other words, if an unannounced inspection at Eastern Goldfields Regional Prison and all the subsequent report writing and related work were to be costed, say, at \$150,000 for 2001/02, whilst in 2002/03 no unannounced prison inspection took place, this would not and could not mean that the Office was notionally over-funded by that amount for that year. *A shift within the range of activities is not a failure to achieve a particular output. The Key Efficiency Indicators should take account of this factor.*

A way to even out the workload and thus make the Key Efficiency Indicators more meaningful in the particular context of this Office's activities would be to assign a notional value to the inspection and review activities, as follows:

Major announced prison inspections	1.0
Short follow-up prison inspections	0.5
Major unannounced prison inspections	1.0
Aggregated court custody centre inspections	1.0
Inspections of other custodial services	1.0
Thematic reviews of prison or custodial services	3.0

These "values" reflect, in the light of experience, the relative weights of the activities.⁴ The model is also congruent with the experience of the UK Chief Inspector of Prisons (the agency that most nearly approximates to this Office), where short follow-up inspections are explicitly differentiated from full inspections and thematic reviews are a prized rarity.⁵

In this context, an annual value of at least 7.5 outputs could be expected from the inspections side of the Office's activities. It would be made up flexibly but might, for example, comprise:

- Four major announced prison inspections (4.0);
- One unannounced inspections (1.0)
- One short follow-up prison inspection (0.5);
- One aggregated inspection of court custody centres or one full inspection of a custodial service (such as adult prisoner transportation services) (1.0); and
- At least one major thematic review every two years (1.5).

⁴ *There is a case for adding a value of 0.5 weighted average output points to major inspections that take place in the Regions because of the greater logistical complexity. However, that argument will be held over until experience gels further.*

⁵ *There have only been six such reviews in the last five years - a period during which there have been more than a hundred prison inspections. Each is a substantial document, with a strong theoretical and empirical research basis.*

That amounts to 8.0 output points. In another year, the pattern might be:

- Five major announced prison inspections (5.0);
- Two short follow-up prison inspections (1.0);
- The completion of a thematic review (1.5).

This amounts to 7.5 output points – a number that the Office would regard as an acceptable minimum, but would always try to exceed. Obviously, there are many variants to this pattern – but each of them would have to take account of the mandated statutory program.

This range of activities will normally lead to the tabling of seven Reports in Parliament each year.⁶ There will inevitably, as stated, be switches between categories, and in particular an unannounced prison inspection may displace a short follow-up inspection or even a previously scheduled announced inspection. It should also be noted that the Minister has the right to direct the Inspector to carry out functions under s. 109L(2) of the *Prisons Act* 1981, and in such cases the extent of the activity thereby required would potentially impact upon other outputs.⁷

The other outputs of the Office are somewhat more predictable. The liaison role, as described in the 2000/01 Annual Report, is bedding down, as is the frequency of visits by Official Prison Visitors. A realistic and measurable load for each would be:

- At least 80 liaison visits to prisons and custodial services per annum; and
- At least 60 prison visits per annum by Official Prison Visitors.

In principle, the above outputs can be costed, and during the first half of the 2002/03 financial year, this will be done so as to bring greater quantifiability to the costs involved in these elements of the Key Efficiency Indicators.

From the point of view of efficiency, a new protocol adopted during 2001/02 should be added. Commencing with the Eastern Goldfields inspection (August 2001), the Inspector has implemented the practice of recording and transcribing (with some edits) his de-brief comments delivered to Department of Justice senior and local management teams. These comments focus upon the principal matters that will be elucidated and elaborated in the Report itself.⁸ They are not insubstantial – in the case of Hakea, for example, about 6,000 words. The transcribed de-brief is sent to the Department, usually within a week or ten days. In this way, the Department can make an early assessment of the broad thrust of the likely Report and commence the process of implementing changes. This was so, for example, in the case of Eastern Goldfields - where the de-brief transcript was available before the end of August 2001, the Report was completed in November and tabled in December, and the Department had already commenced planning its changes before receipt of the Report itself.

This activity does not in itself amount to a discrete Key Efficiency Indicator, but is encompassed within the broader indicator set out above. It will be formally reported as a matter of course in future, however.

⁶ Note, however, the five categories of report status, set out above, reflecting the uneven flow of work during a financial year.

⁷ For example, a major riot or industrial disruption or allegations of corruption might lead to a direction to carry out a comprehensive inquiry that could significantly distort the normal program. Whilst the Inspector may refuse to comply with such a direction (*Prisons Act* 1981, s. 109M(3)), to do so would be highly exceptional. The real issue is not the possibility of refusal but rather the impact that carrying out such a direction might have on the attainment of Key Efficiency Indicators. From the point of view of accountability for outputs, this would be a hurdle that would have to be overcome at the particular time.

⁸ A similar practice is not relevant to inspections that take place over an extended period of time, such as the *Adult Prisoner Transport Inspection*.

In the light of the above discussion, it is considered that the rigidity of the previous indicator, that required completion within six months of the final day of the on-site phase of the inspection, can be dispensed with. As described below, there were valid reasons why such a deadline could not always be achieved. That timetable is a desirable target, of course, but should not be a constraint. It will accordingly be dropped as a requisite element of performance.

Key Effectiveness and Efficiency Indicators using the original measures

For 2001/02, working according to the previous formulae, the Effectiveness and the Efficiency Indicators are as set out below. The Office had indicated its intention to try to carry out six full prison inspections, two follow-up inspections and one inspection of court custody centres or prisoner transport during the year, as well as commencing work upon a thematic review. This objective was substantially met, with five Reports being tabled in Parliament during the year and three others having been completed to the Inspector's satisfaction though not actually tabled before 30th June 2002.

The Reports that were tabled⁹ were as follows:

- Report of an Announced Inspection of Adult Prisoner Transport Services;
- Report of an Unannounced Inspection of Eastern Goldfields Regional Prison;
- Report of an Announced Inspection of Karnet Prison Farm;
- Report of an Announced Inspection of Broome Regional Prison;
- Report of an Announced Inspection of Metropolitan Court Custody Centres.

In addition, two Reports were completed and at the printers as at 30th June 2002 (i.e. "Prepared Reports" in terms of the suggested new categorisation). These were:

- Report of an Announced Follow-up Inspection of the Special Handling Unit at Casuarina Prison, and
- Report of an Announced Follow-up Inspection of Eastern Goldfields Regional Prison.

One other report was at the Draft stage (i.e. with the Department of Justice for comment). This was:

- Report of an Announced Inspection of Nyandi Women's Prison.

Other inspections that were foreshadowed for 2001/02 related to Casuarina Prison, Hakea Prison and Bandyup Women's Prison. These inspections took place in October 2001, March 2002 and June 2002 respectively, and each is at the stage of a report in preparation.

As also foreshadowed in the previous Annual Report, work commenced on a major thematic review. The topic selected was that of the "Status and Treatment of Protection Prisoners within the WA Prison System". It is expected that this will be completed and tabled by the end of 2002.

In summary, the inspection program was 90% implemented during the financial year. There were eight completed inspections and a thematic review was 50% completed. This compares with a target of nine inspections plus half a thematic review – a target that, with experience, can now be seen to have been unrealistically optimistic.

Applying the suggested weighted averaging system that will cut in for future years, the "Output Points" in 2001/2002 would have been 8.5 made up as follows - $6 \times 1.0 = 6.0$ inspections plus $2 \times 0.5 = 1.0$ follow-up inspections plus $50\% \times 3.0 = 1.5$ thematic reviews.

⁹ The Report of an Announced Inspection of Riverbank Prison was also tabled during the year, but the report itself related to the 2000/01 period, and was counted for the purposes of that year's Annual Report.

For the record, it should be pointed out that the self-imposed requirement that Reports be completed and forwarded to the relevant Parliamentary officers *within six months of the last day of the formal on-site phase of an inspection* was not met in three cases – Karnet Prison Farm, Broome Regional Prison and the Special Handling Unit Follow-up Inspection. There were a variety of reasons for this, most notably the need to re-order report-writing priorities so as to bring urgent matters forward. The Report of the Unannounced Inspection of Eastern Goldfields Regional Prison was a case in point; the urgency of getting a Report about a failing prison into the public and political domain as soon as possible meant that work on the two immediately prior inspection Reports (Karnet and Broome) had to be deferred. Another factor contributing to some delays was that it was found that the Department of Justice legitimately and properly require more time to respond to draft reports, made available to them in terms of s.109N(7) of the *Prisons Act* 1981, than had previously been allowed. A constructive response, including an Action Plan, cannot be developed without full Departmental discussion and consultation in-house, and experience has shown that effectively at least a three-week period is necessary. With one Report – that relating to Adult Prisoner Transport Services – the issues raised were so profound that it was thought appropriate to send a second draft report to the Department of Justice (and to AIMS and the Department of Transport) for comment – a contingency that also pushed out the timetable for completion.

Specifically, with Karnet the Office “overran” its target by two months; with Broome by three months; and with the Special Handling Unit follow-up by three months.

As previously mentioned, the eight completed reports contained a total of 86 recommendations, of which the Department and/or the other affected parties have accepted in principle 77. Thus, aggregating all recommendations, the Key Effectiveness Indicator for 2001/02 is 90%. The nature of the implementation process, often being incremental rather than immediate, is such that it is not possible accurately to state at any given moment in time whether implementation has occurred or is pending. Accordingly, this differentiation, which was made last year, has not been followed up this year. Note, however, that the second round of full inspections will enable relatively reliable differentiation to be made in retrospect as to achieved implementation and intended implementation.

As mentioned, the previously adopted Efficiency Indicator contained two elements: cost per inspection report and cost per recommendation. As discussed, the latter is not useful. The cost per inspection or review can be calculated as follows:

	Within six months	During the year but but not within six months	Total ¹⁰
Inspection Reports completed	5	3	8
The mean cost of each Inspection Report			\$167,441 ¹¹
Thematic review			0.5
The mean cost of each thematic review			\$83,721

¹⁰ The number of reports written in the previous financial year (the year in which the Office was set up) is 2 with a mean cost of \$588,925.

¹¹ A sum of \$78,000 was earmarked for the administration of the Official Prison Visitors' scheme, and this has been deducted from the overall operating costs of the Office in calculating the costs of reports and reviews.

Note

In 2002/03, the following Reports should be completed: Casuarina; Hakea; Roebourne; Bandyup; Albany; Wooroloo (probably); and the Non-Metropolitan Court Custody Centres. In addition the thematic Report relating to the Status and Conditions of Protection Prisoners will be completed. In terms of the weighted formula of Output Points set out above, that will be a score of 8.5 (or 7.5 if Wooroloo has to be held over). Other prisons to be inspected will be: Bunbury, Acacia and Greenough. Reports in relation to these inspections will be completed during the 2003/04 financial year. As explained above, it is not possible to say whether there may be an unannounced inspection of any prison. There will be a short follow-up inspection of Roebourne Prison but it is not clear, for logistical reasons, whether this will occur towards the very end of the financial year or early in the 2003/04 financial year.

This schedule will mean that inspections for all prisons and custodial services will have been carried out by June 2003, two years and four months after the Office's first announced inspection. The statutory requirement is to inspect each prison and custodial service at least once every three years – an indicator that will thus have been significantly exceeded.

STATEMENT OF COMPLIANCE**Source Reference**

FAAA sec 62

HON J.A. MCGINTY

TI 902

MINISTER FOR JUSTICE

In accordance with *Section 62 of the Financial Administration and Audit Act 1985*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Inspector of Custodial Services for the financial year ended 30 June 2002.

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


Professor Richard Harding

Accountable Officer

Date: 23/7/2002

Financial Statements

Source Reference

FAAA sec62(2a)
TI 947

The accompanying financial statements of the Office of the Inspector of Custodial Services have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2002 and the financial position as at 30 June 2002.

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



Derek Summers
Principal Accounting Officer
Date: 23/7/2002



Professor Richard Harding
Accountable Officer
Date: 23/7/2002



AUDITOR GENERAL

To the Parliament of Western Australia

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit opinion relates to the financial statements of the Office of the Inspector of Custodial Services for the year ended June 30, 2002 included on the Office's web site. The Inspector of Custodial Services is responsible for the integrity of the Office of the Inspector of Custodial Service's web site. I have not been engaged to report on the integrity of the Office's web site. The audit opinion refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Scope

I have audited the accounts and financial statements of the Office of the Inspector of Custodial Services for the year ended June 30, 2002 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 and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Office's financial position, its financial performance 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 Revenues 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 and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Office at June 30, 2002 and its financial performance and its cash flows for the year then ended.

D D R PEARSON
AUDITOR GENERAL
August 30, 2002

Financial Statements

Statement of Financial Performance for the year ended 30 June 2002

	Note	2001/02 \$	2000/01 \$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	4	907,750	593,511
Supplies and services	5	335,976	378,219
Depreciation expense	6	31,658	3,502
Administration expenses	7	60,466	76,188
Accommodation expenses	8	165,400	126,430
Total cost of services		1,501,250	1,177,850
Revenues from ordinary activities			
Other revenues from ordinary activities	9	3,401	2,029
Total revenues from ordinary activities		3,401	2,029
NET COST OF SERVICES		1,497,849	1,175,821
REVENUES FROM GOVERNMENT			
Output appropriation	10	1,395,000	1,176,000
Liabilities assumed by the Treasurer	10	0	8,494
Resources received free of charge	10	11,000	6,000
Total revenues from Government		1,406,000	1,190,494
CHANGE IN NET ASSETS		(91,849)	14,673
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS			
		(91,849)	14,673

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

Statement of Financial Position

as at 30 June 2002

	Note	2001/02 \$	2000/01 \$
Current Assets			
Cash assets	11	120,242	98,016
Restricted cash assets	12	21,500	18,000
Receivables	13	24,106	32,371
Amounts receivable for outputs	14	10,000	
Other assets	15		9,055
Total Current Assets		175,848	157,442
Non-Current Assets			
Office furniture and equipment	16	24,387	31,703
Office Fit-out	16	137,939	162,281
		162,326	193,984
TOTAL ASSETS		338,174	351,426
Current Liabilities			
Provisions	17	215,620	146,343
Other Liabilities	18	42,824	61,856
Total Current Liabilities		258,444	208,199
Non-Current Liabilities			
Provisions	17	83,973	55,621
Total Non-Current Liabilities		83,973	55,621
Total Liabilities		342,417	263,820
Equity			
	19		
Accumulated surplus/(deficiency)		(4,244)	87,606
Total Equity		(4,244)	87,606
TOTAL LIABILITIES AND EQUITY		338,173	351,426

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 2002

	Note	2001/02 \$	2000/01 \$
CASH FLOWS FROM GOVERNMENT			
Output appropriations		1,385,000	1,176,000
Net cash provided by Government		1,385,000	1,176,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee costs		(746,881)	(525,767)
Superannuation		(74,341)	
Supplies and services		(355,014)	(331,226)
Administration costs		(64,053)	(71,991)
Accommodation costs		(154,265)	(124,630)
GST payments on purchases		(52,850)	(41,180)
Receipts			
Employee entitlements received on transfer		24,510	143,558
GST receipts on sales		2,885	9,709
GST receipts from taxation authority		57,333	
Other receipts		3,401	2,029
Net cash used in operating activities	20(b)	(1,359,275)	(939,498)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets			(197,486)
Net cash used in investing activities			(197,486)
Net increase in cash held		25,725	39,016
Cash assets at the beginning of the financial year		116,016	77,000
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	20(a)	141,741	116,016

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

Summary of consolidated fund appropriations and revenue estimates for the year ended 30 June 2002

	2001/02 Estimate \$	2001/02 Actual \$	Variance \$	2001/02 Actual \$	2000/01 Actual \$	Variance \$
PURCHASE OF OUTPUTS						
Item 98 - Net amount appropriated to purchase outputs	1,228,000	1,228,000		1,228,000	1,176,000	52,000
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	167,000	167,000		167,000		167,000
Total appropriations provided to purchase outputs	1,395,000	1,395,000		1,395,000	1,176,000	219,000

Details of Expenditure by Outputs

Prison Inspection and Review	1,397,000	1,501,250	104,250	1,501,250	1,094,794	406,456
Total Cost of Outputs	1,397,000	1,501,250	104,250	1,501,250	1,094,794	406,456
Less retained revenue	(7,000)	(3,401)	3,599	(3,401)	(2,029)	(1,372)
Net Cost of Outputs	1,390,000	1,497,849	107,849	1,497,849	1,092,765	405,084
Adjustment for movement in cash balances and other accrual items	5,000	(102,850)	(107,850)	(102,850)	83,235	(186,085)
Total appropriations to purchase outputs	1,395,000	1,394,999	(1)	1,394,999	1,176,000	218,999

CAPITAL

Item 98 - Capital Contribution (2000-01
Amount provided for capital services)

Capital Expenditure

Capital expenditure					197,486	(197,486)
Adjustment for movement in cash balances and other funding sources					(197,486)	197,486
Holding account draw-downs						
Total capital expenditure						

GRAND TOTAL

OF APPROPRIATIONS	1,395,000	1,395,000		1,395,000	1,176,000	219,000
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DETAILS OF REVENUE ESTIMATES

Revenues disclosed as Operating Revenues	7,000	3,401	3,599	3,401	2,029	1,372
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The Summary of Consolidated Fund Appropriations, Variance to Actual and Budget should be read in conjunction with the accompanying notes.

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

Notes to the Financial Statements for the year ended 30 June 2002

NOTE 1 OFFICE MISSION AND FUNDING

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

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

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

(A) GENERAL STATEMENT

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

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

(B) BASIS OF ACCOUNTING

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

(C) OUTPUT APPROPRIATIONS

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

(D) NET APPROPRIATION DETERMINATION

Pursuant to section 23A of the Financial Administration and Audit Act, the Treasurer may make a determination providing for prescribed revenue to be retained by a department. Receipts in respect of all revenues recognised in the Statement of Financial Performance are the subject of a net appropriation determination by the Treasurer.

The net appropriation determination allows all prescribed revenues to be retained except for:

- revenues derived from the sale of real property; and

- one-off revenues with a value of \$10,000 or more derived from the sale of property other than real property.

Prescribed revenues include moneys received other than from taxes, royalties and Commonwealth general purpose grants.

Retained revenues may only be applied to the outputs specified in the 2001-2002 Budget Statements.

(E) GRANTS AND OTHER CONTRIBUTIONS REVENUE

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

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

(F) REVENUE RECOGNITION

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

(G) ACQUISITIONS OF ASSETS

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

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

(H) DEPRECIATION OF NON-CURRENT ASSETS

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

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

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

(I) LEASES

The Office has not entered into any finance leases.

The Office has entered into a number of operating lease arrangements for the rent of office accommodation, motor vehicles and office equipment where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal 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.

(J) CASH

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

(K) ACCRUED SALARIES

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

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

(L) RECEIVABLES

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

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

(M) PAYABLES

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

(N) EMPLOYEE ENTITLEMENTS

Annual leave

This entitlement is recognised 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".

Superannuation

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

- (i) change in the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- (ii) employer contributions paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme.

(iii) contributions made to superannuation funds not administered by GESB.

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

A revenue "Liabilities assumed by the Treasurer" equivalent to (i) is recognised under Revenues from Government in the Statement of Financial Performance as the unfunded liability is assumed by the Treasurer. The GESB makes the benefit payments and is recouped by the Treasurer.

From 1 July 2001 employer contributions were paid to the GESB in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. Prior to 1 July 2001, the unfunded liability in respect of these Schemes was assumed by the Treasurer. An amount equivalent to the employer contributions which would have been paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme if the Office had made concurrent employer contributions to those Schemes, was included in superannuation expense. This amount was also included in the revenue item "Liabilities assumed by the Treasurer".

(O) RESOURCES RECEIVED FREE OF CHARGE OR FOR NOMINAL VALUE

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

(P) COMPARATIVE FIGURES

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

NOTE 3 OUTPUTS OF THE OFFICE

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

The output of the Office is:

Prison Inspection and Review

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

NOTE 4 EMPLOYEE EXPENSES

	2001/02 \$	2000/01 \$
Salaries	692,860	440,217
Superannuation	75,198	27,258
Long service leave	46,140	74,992
Annual leave	71,124	35,030
Other related expenses ⁽ⁱ⁾	22,426	16,014
	907,750	593,511

⁽ⁱ⁾ These employee expenses include superannuation WorkCover premiums and other employment on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee entitlement liabilities at Note 17.

Financial Statements

	2001/02 \$	2000/01 \$
NOTE 5 SUPPLIES AND SERVICES		
Consultants and contractors	168,470	140,053
Materials	78,832	108,144
Repairs and maintenance	7,336	73,351
Travel	58,793	49,856
Other	22,544	6,815
	335,976	378,219
NOTE 6 DEPRECIATION EXPENSE		
Office equipment and furniture	7,316	3,502
Office fit-out	24,342	
	31,658	3,502
NOTE 7 ADMINISTRATION EXPENSES		
Communication	19,229	21,034
Consumables	1,504	4,499
Other staff costs	18,285	26,949
Sundry expenses	21,448	23,706
	60,466	76,188
NOTE 8 ACCOMMODATION EXPENSES		
Lease Rentals	161,649	57,200
Repairs and Maintenance	3,751	68,500
Cleaning		730
	165,400	126,430
NOTE 9 OTHER REVENUES FROM ORDINARY ACTIVITIES		
Contributions to Executive Vehicle Scheme	1,950	2,013
Sundry receipts	1,451	16
	3,401	2,029
NOTE 10 REVENUES FROM GOVERNMENT		
Appropriation revenue received during the year:		
Recurrent	1,395,000	1,176,000
The following liabilities have been assumed by the Treasurer during the financial year:		
Superannuation		8,494
Resources received free of charge		
Determined on the basis of the following estimates provided by agencies:		
Office of the Auditor General	11,000	6,000
	1,406,000	1,190,494

	2001/02 \$	2000/01 \$
NOTE 11 CASH ASSETS		
Operating account	114,732	92,606
Cashiers advance	5,510	5,410
	120,242	98,016

NOTE 12 RESTRICTED ASSETS

Accrued salaries suspense account	21,500	18,000
	21,500	18,000

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

NOTE 13 RECEIVABLES

Current

Salary recoups		900
GST receivable	24,106	31,471
	24,106	31,471

NOTE 14 AMOUNTS RECEIVABLE FOR OUTPUTS

Current

	10,000	
	10,000	0

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

NOTE 15 OTHER ASSETS

Current

Accrued revenue - salary recoups		9,055
	0	9,055

NOTE 16 OFFICE FIT-OUT, FURNITURE AND EQUIPMENT

Office Fit-out At cost	162,281	162,281
Accumulated depreciation	(24,342)	
	137,939	162,281

Furniture and equipment

At cost	35,205	35,205
Accumulated depreciation	(10,818)	(3,502)
	24,387	31,703
	162,326	193,984

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

Financial Statements

NOTE 16A OFFICE FIT-OUT, FURNITURE AND EQUIPMENT

Reconciliations of the carrying amounts of office fit-out and furniture and equipment at the beginning and end of the current financial year are set out below.

2001/2002	Office Fit Out \$	Furniture & Equipment \$	Total \$
Carrying amount at the start of the year	162,281	35,205	197,486
Additions			
Disposals			
Revaluation increments			
Depreciation	24,342	10,818	35,160
Write-off of assets			
Carrying amount at the end of the year	137,939	24,387	162,326

NOTE 17 PROVISIONS

	2001/02 \$	2000/01 \$
Current		
Annual leave	98,097	55,674
Long service leave	117,523	90,669
	215,620	146,343
Non-current		
Long service leave	83,973	55,621
	83,973	55,621

Employee entitlements

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

Provision for employee entitlements		
Current	215,620	146,343
Non-current	83,973	55,621
	299,593	201,964

NOTE 18 OTHER LIABILITIES

Current		
Accrued expenses	25,359	48,680
Accrued salaries	17,465	13,176
	42,824	61,856

	2001/02	2000/01
	\$	\$

NOTE 19 EQUITY

Equity represents the residual interest in the net assets of the Office. The Government holds the equity interest in the Office on behalf of the community.

Accumulated surplus/(deficiency)

Opening balance	87,606	72,933
Change in net assets from operations	(91,850)	14,673
Closing balance	(4,244)	87,606

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

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

Cash assets	120,242	98,016
Restricted cash assets	21,500	18,000
	141,742	116,016

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

Net cost of services	(1,497,849)	(1,175,821)
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Non-cash items:

Depreciation expense	31,658	3,502
Superannuation expense		8,494
Resources received free of charge	11,000	6,000

(Increase)/decrease in assets:

Current receivables	900	(32,371)
Other current assets	9,055	(9,055)

Increase/(decrease) in liabilities:

Current provisions	69,277	146,343
Other current liabilities	(19,033)	57,789
Non-current liabilities	28,353	55,621

Change in GST in receivables/ payables	7,365	31,471
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Net cash provided used in operating activities	(1,359,275)	(908,027)
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Financial Statements

	2001/02 \$	2000/01 \$
NOTE 21 COMMITMENTS FOR EXPENDITURE		
(a) Capital expenditure commitments		
The Office has no capital expenditure commitments.		
(b) Finance expenditure commitments		
The Office has no finance lease commitments.		
(c) Non-cancellable operating lease commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	172,749	176,370
Later than one year, and not later than five years	633,491	628,737
Later than five years	806,240	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.

NOTE 22 CONTINGENT LIABILITIES

The Office has no contingent liabilities.

NOTE 23 EVENTS OCCURRING AFTER REPORTING DATE

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

NOTE 24 EXPLANATORY STATEMENT

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

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

	2001/02 Actual \$	2000/01 Estimate \$	Variance \$
Prison Inspection and Review	1,501,250	1,397,000	(104,250)

The 2001/2002 financial year represents the first full operational year for the Office. The full complement of staff for the full year has increased expenditure significantly. Another contributing factor relates to the fact that the Office has taken over the Official Prison Visitors' Scheme.

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

	2001/02 \$	2000/01 \$	Variance \$
Net amount appropriated to purchase outputs for the year	1,395,000	1,176,000	219,000

An increase in the appropriation was approved by Treasury to cater for a full operational year and the provision of expenditure for the Official Prison Visitors' Scheme.

NOTE 25 FINANCIAL INSTRUMENTS

(a) Interest rate risk exposure

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

	Weighted average effective interest rate	Variable interest rate	Less than 1 year	1 to 5 years	More than 5 years	Non interest bearing	Total
2001/02	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash Assets						120,242	120,242
Restricted cash assets						21,500	21,500
Receivables						24,106	24,106
Other assets							0
						165,847	165,847
Financial Liabilities							
Provisions						299,593	299,593
Other Liabilities						42,824	42,824
						342,417	342,417
2000/01							
Financial Assets						157,442	157,442
Financial Liabilities						263,820	263,820

Financial Statements

NOTE 26 REMUNERATION OF SENIOR OFFICERS

Remuneration

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

	2001/02	2000/01
\$120,001 - \$130,001		1
\$130,001 - \$140,000	1	
The total remuneration of senior officers is:	\$139,237	\$124,712

	2001/02	2000/01
	\$	\$

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	\$22,713	\$18,764
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	2001/02	2000/01
Numbers of Senior Officers presently employed who are members of the Superannuation and Family Benefits Act Scheme:	0	0

NOTE 27 RELATED AND AFFILIATED BODIES

The Office had no related bodies during the financial year.

NOTE 28 SUPPLEMENTARY FINANCIAL INFORMATION

Write-Offs

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

Losses through theft, defaults and other causes

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

Gifts of Property

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



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