

Independent oversight  
that contributes to a  
more accountable public  
sector



OFFICE OF THE INSPECTOR  
OF CUSTODIAL SERVICES

# ANNUAL REPORT 2023-24



## RESPONSIBLE MINISTER

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

## ACCOUNTABLE AUTHORITY

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## ABOUT THIS REPORT

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

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

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

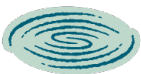
This report mentions an Aboriginal person who has died. The family of the deceased person have given us permission to use his full name.

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

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PART ONE



OFFICE OF THE INSPECTOR  
OF CUSTODIAL SERVICES

TRANSMISSION LETTER

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

ANNUAL REPORT OF THE OFFICE OF THE INSPECTOR OF CUSTODIAL  
SERVICES FOR THE YEAR ENDED 30 JUNE 2024

In accordance with Section 63 of the *Financial Management Act 2006*, as modified by Section 38 of the *Inspector of Custodial Services Act 2003*, I hereby submit to Parliament for its information, the Annual Report of the Office of the Inspector of Custodial Services for the year ended 30 June 2024.

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

Eamon Ryan  
Inspector of Custodial Services  
19 September 2024

## INSPECTOR'S FOREWORD

This year has been a tumultuous one for many reasons, including the crisis in youth justice and the major system level challenges facing the adult custodial environment due to record prisoner numbers, infrastructure limitations, and significant staffing issues.

First and foremost of these is the devastating and tragic loss of Cleveland Dodd to suicide in October 2023, which must now lead to whole of system reforms in youth justice in Western Australia. Cleveland was a young Aboriginal person who died by suicide while held in detention at Unit 18 in Casuarina Prison. The circumstances of his death are currently being examined in a coronial inquest. But for over ten years, reports by this Office highlighted significant issues and problems around how the state cares for and manages young people in detention in Western Australia. Publication of these issues ultimately did not lead to the systemic reforms necessary to prevent such a tragic outcome.

Although falling outside of the reporting period, I must also mention the second tragic loss of life in youth detention. A young 17-year-old man took his life in Banksia Hill Detention Centre on 29 August 2024.

We all must accept some level of responsibility for these outcomes, and I include myself in this. I have constantly asked myself whether we could have done more or advocated harder for change. Ultimately, others will form their own view on this question.

But what is absolutely clear is that we must not let these tragic events be repeated and there must be urgent, meaningful and enduring reform to the youth justice system. Every West Australian has responsibility to ensure this happens.

Throughout the year, we saw many challenges in the adult prison system, with population pressure probably being the most significant one.

On 30 June 2024 there were 7,792 people in Western Australian prisons, which is a 15% rise in the total adult population from the same time last year. The rise in overall population, largely driven by increases in unsentenced men (27%) and women (34%), has led to massive overcrowding across most facilities. By the end of the year many prisons were operating at or near maximum capacity, with many prisons having a third prisoner in an already double bunked cell.

On top of the population pressures, there are significant staffing issues with many prisons we inspected or visited during the year reporting daily shortfalls of custodial and non-custodial staff. This impacts almost every aspect of prison life, most commonly in restrictions to the daily regime. Throughout the year we heard of regular restrictions on prisoner's access to employment, education, recreation, programs, support services, and visits. We have seen and reported on rises in suicide, self-harm, assaults, and poor behaviour.



Many of these impacts were observed during our inspection of Hakea Prison which resulted in the issuing of a Show Cause Notice to the Department in May 2024, the details of which are outlined later in this report. The Notice was prompted by significant concerns we had about the safety and welfare of prisoners due to lockdowns and restrictions arising from daily staff shortages. The matter was referred to the Minister for Corrective Services, the Hon. Paul Papalia CSC MLA, on 14 June 2024. I have had several discussions with the Minister about my concerns and the issues raised in the Notice and anticipate receiving a formal response shortly.

Although we have worked very hard this year some of our published work, and the work currently under way, has taken longer than we might have liked. One factor behind this is the finite resources we have available to us. Another is the demand pressures we face due to the changing complexity of our work and the need to prioritise key focus areas, such as youth justice.

There is also the issue of the timeliness of responses we receive from the Department to our draft reports. We have a Memorandum of Understanding with the Department under which they have agreed to provide a response to a draft report within five weeks. For the nine reports we published this year, none of the responses from the Department were received within the five-week period and the average time for a response was 11.3 weeks. Adding to this is the requirement under our Act (section 35) for a minimum 30-day embargo period once our final report is delivered to the Parliament. All of this leads to delays of up to several months from the time we finish our work to the publication of our reports.

Although our work is both interesting and rewarding, it is also becoming more and more complex each year, placing stress on our staff and resources. Over recent years we have not sought additional resources and instead tried to do more with less.

Currently, we are undertaking a comprehensive review of our operating methodology, examining every aspect of how we do our work. We are looking at best practice in similar oversight organisations both in Australia and overseas. This work will inform a revised methodology and establish a model that should hold us in good stead into the future. It is underpinned by one of our core values of innovation, and consistent with one of our strategic priority areas to be innovative, efficient, and effective in our work.

Once again, I must report limited progress on the implementation of the United Nations *Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment* (OPCAT). Although we have been nominated as one of two Western Australian National Preventative Mechanisms (NPM), there has been no progress in developing legislation or allocating resources to allow us to undertake the proposed expansion of our jurisdiction to include police lockups. Despite this, we have continued to participate in the Australian NPM Network, which is coordinated by the Commonwealth Ombudsman in their capacity as the Australian NPM Coordinator.

I acknowledge the importance of many strong working relationships we have enjoyed throughout the year with key stakeholders and organisations. On a personal level, I acknowledge the continuation of strong relationships with the new Director General of the Department of Justice and the new Commissioner for Corrective Services. I thank all of them for their contribution to the work of our office throughout the year.

Finally, I acknowledge and thank all the staff in my Office for their hard work, expertise, and dedication. The nature of our work draws a particular type of person, often with a passion for helping others and a desire to contribute to improving the justice system. For many it has been a difficult year from both a personal and professional perspective, and I thank them for their passion, commitment, resilience, and exceptional work.

A handwritten signature in black ink, appearing to read 'Eamon Ryan', with a stylized, flowing script.

Eamon Ryan  
Inspector of Custodial Services

19 September 2024

## BACKGROUND

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

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

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

Eamon Ryan was appointed as the Inspector in May 2019 for a five-year term and reappointed for a second five-year term in May 2024.

### FORMER INSPECTORS

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

## ABOUT US

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

Our responsibilities include:

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

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

## Our inspection standards

The main areas in which we operate when conducting our inspections

WE LOOK AT...

### 1 EARLY DAYS IN CUSTODY

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

### 2 DUTY OF CARE

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

### 3 MANAGING BEHAVIOUR

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

### 4 DAILY LIFE

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

### 5 HEALTH

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

### 6 SECURITY

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

### 7 REHABILITATION AND REPARATION

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

### 8 GOVERNANCE


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



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OFFICE OF THE INSPECTOR  
OF CUSTODIAL SERVICES

# STATEMENT OF STRATEGIC INTENTION 2024-2027




## Our Purpose

To provide independent oversight of custodial facilities and services in Western Australia.


## Our Vision

*'To promote humanity and decency in custodial facilities and services throughout Western Australia.'*


## Our Values

 <h3>Integrity</h3> <p>We act ethically, honestly, impartially and in the best interests of the community.</p>	 <h3>Equity</h3> <p>We treat all people with respect and we value diversity.</p>	 <h3>Quality</h3> <p>We are efficient, deliver on-time, and provide well researched advice and recommendations.</p>	 <h3>Innovation</h3> <p>We value creativity, learning and continuous improvement.</p>
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## Strategic Priorities



### Oversight of custodial facilities and services



### Community engagement



### Corporate governance and workforce



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Telephone: (08) 6551 4200 Email: [corporate@oics.wa.gov.au](mailto:corporate@oics.wa.gov.au)  
[www.oics.wa.gov.au](http://www.oics.wa.gov.au)



## Strategic Priorities



### Oversight of custodial facilities and services

-  We will be innovative, efficient and effective in our oversight and continuous monitoring of custodial facilities in Western Australia through our inspections, reviews and Independent Visitor service.
-  We will maintain our independence and be accountable for the quality of our work.
-  We will be transparent and publish inspection and review reports that are tabled in the Western Australian Parliament.
-  We will establish and develop our role as the National Preventative Mechanism, under OPCAT, for custodial facilities and police lockups in Western Australia.



### Community engagement

-  We will contribute to informing the community on key issues impacting custodial facilities and services as an impartial and trusted source of information.
-  We will engage and collaborate with, and listen to, key stakeholders on issues impacting custodial facilities and services in accordance with our purpose and vision.



### Corporate governance and workforce

-  We will ensure responsible stewardship of allocated resources to deliver efficient and effective services.
-  We will act with the highest ethical standards and comply with all public sector standards and requirements in undertaking our work.
-  We will support the professional development of our people and foster a culture of continuous learning and innovation.
-  We will create a safe and inclusive workplace that supports the wellbeing of staff and volunteers.



OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES



## KEY STAKEHOLDERS

As an independent statutory officer, the Inspector of Custodial Services reports directly to the Parliament of Western Australia. However, the Inspector also provides an important source of alternative, independent advice to Government through their relationship with the Minister for Corrective Services.

To ensure a contemporary understanding of prisons policy and operations, it is essential that we maintain open communication with the Department of Justice at an executive level, and at an operational level in custodial facilities.

Our way of working allows for people in custody, their families, non-government organisations and other agencies to provide vital information and context to the operation of custodial services, and for us to provide transparency and education to the public about what outcomes are being achieved for those in custody.



## CONTINUOUS INSPECTION MODEL

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

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

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

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

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



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

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

OICS staff meet regularly with Department head office personnel.

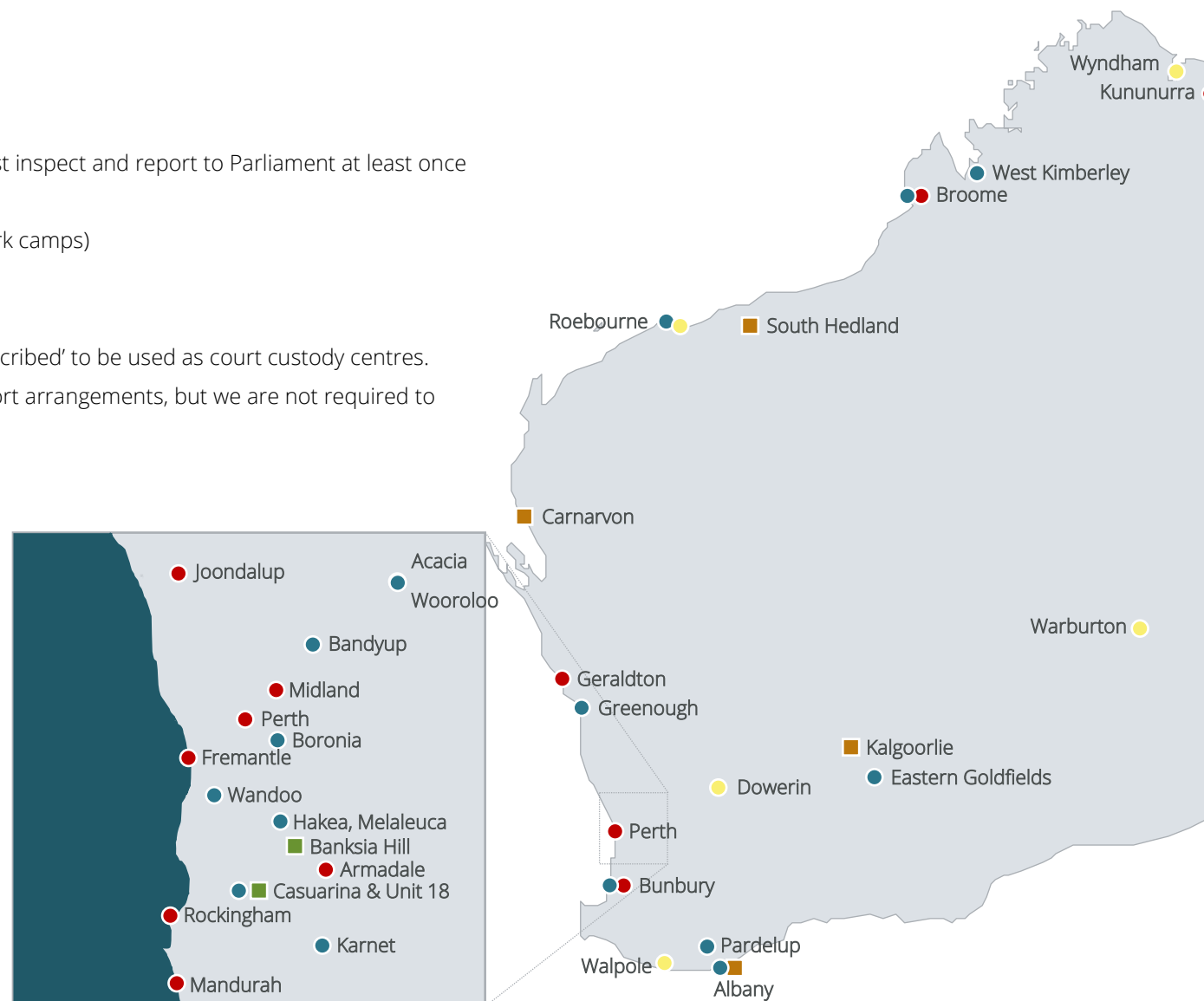
# INSPECTIONS

## OUR JURISDICTION

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

- ❖ 17 prisons (including five prison work camps)
- ❖ two youth detention centres
- ❖ all court custody centres
- ❖ police lock-ups that have been 'prescribed' to be used as court custody centres.

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



## PROCESSES AND METHODOLOGY

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

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

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

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

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

## INTERIM FINDINGS / EXIT DEBRIEF

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

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

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

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

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

An exit meeting with a representative group of prisoners is also held where findings pamphlets are provided to share what we heard and give indicative initial inspection findings.

## PREPARING REPORTS

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

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

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

The final report includes an overview by the Inspector.

## TABLING REPORTS

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

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



## MONITORING / LIAISON VISITS

We conduct regular liaison visits to all places of custody in our jurisdiction. These visits are a crucial element in monitoring performance, risks, and improvement opportunities; following up on progress towards implementing previous recommendations; and, in identifying emerging themes or areas of concern.

Our visit schedule reflects risk, and therefore varies between sites and over time. We visit most prisons at least four times each year, and the higher risk prisons, including Banksia Hill Detention Centre and Unit 18 at Casuarina Prison, at least six times a year. We generally visit work camps at least once a year and court custody centres once every three years.

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

In the past year we conducted 72 liaison visits across all custodial facilities, work camps and court custody centres.

72 LIAISON VISITS

ADULT

YOUTH

METRO

REGIONAL

WORK CAMPS

COURT CUSTODY

CENTRES

## REVIEWS

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

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

### IDENTIFYING REVIEW TOPICS

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

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

### TOPICS IDENTIFIED THROUGH:



#### INSPECTIONS

Analysis of findings and information gathered from recent inspections



#### LIAISON VISITS

Analysis of findings from recent liaison visit reports



#### INDEPENDENT VISITORS

Analysis of findings from recent Independent Visitor reports



#### PREVIOUS REVIEWS

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



#### ENVIRONMENTAL SCANNING

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



#### CONTEXT

Consideration of the local context and any arising issues

### TOPICS ASSESSED FOR:



RISK



RELEVANCE



IMPACT



VIABILITY

## PROCESSES AND METHODOLOGY

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

We analyse multiple sources of information to derive and validate findings. These include academic and professional publications, evidence from other jurisdictions, and data from the Department's offender management databases. We also use other departmental documents, such as evaluations, strategic plans, budget papers, and business cases. Surveys or other research instruments may also be used where appropriate.

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

## KEY FINDINGS DEBRIEF

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

## DIRECTED REVIEWS

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

No Directed Reviews were undertaken by the Inspector this financial year.

## REPORTING

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

Unlike inspection reports, there is no requirement for reviews to be tabled in Parliament and made public, but the Inspector has the discretion to do so under Section 34(2)(b) of the Act. However, for reasons of transparency, accountability and system improvement, our practice is:

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

## INDEPENDENT VISITOR SERVICE

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

Our IVs, who are community volunteers, bring their unique expertise, insight, and objective approach to the role. Their dedication is evident in their commitment to undertake visits to their nominated facility at least once every three months, but most visit on a more frequent basis, usually monthly.

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

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

Over the past year, we have continued our efforts to support our existing IVs. We are also actively trying to recruit new IVs, particularly in the areas surrounding Eastern Goldfields Regional Prison, Broome Regional Prison, and West Kimberley Regional Prison.

In October 2023 we held the biannual IV conference, providing access to training and team building activities for all our volunteers. Our focus was on increasing cultural awareness, building a trauma-informed approach to visits, and time to hear from, and ask questions of, the Minister for Corrective Services, the Hon. Paul Papalia CSC MLA.

This year, our IVs submitted **121 reports** raising over **1,000 items**. The top four issues raised with IVs this year were:



## INDEPENDENT VISITORS' REPORTING PROCESS







# COMMUNITY LIAISON

Our Community Liaison Officer (CLO) provides highly valued cultural context in working with staff across the Office and with people in the community. The CLO maintains a large community network and helps us to engage with culturally diverse prisoners and young people in detention, community organisations, and families.

The CLO engages in our daily operations and provides cultural insight into Office policies and strategic external engagements. He also contributes to all aspects of our inspection and review work, including participating in planning and undertaking inspections of prisons and detention centres.

Through this engagement, the CLO provides important information, links and referrals to appropriate services within the Department or other support organisations. He also provides advice to staff in the Office on cultural issues and protocols.



*Community Liaison Officer, Joseph Wallam, and OICS connecting, communicating, informing*

## OTHER ACTIVITIES

The Office engages in a wide range of other activities in addition to our mandated responsibilities under the Act. For example, although the Inspector does not report to the Minister or the Department, effective communication with both is important. The benefits of an inspection system are only realised when the concerns raised are understood and acted upon in a timely manner. When processes are working well, matters can often be resolved, and improvements made, without any need for a formal review or report.

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

Through the Inspector and other senior managers, the Office has had ongoing engagement with the network of Australian National Preventative Mechanism agencies (NPM) that will be responsible for the monitoring of conditions of detention under the United Nations OPCAT treaty. This year we have participated in quarterly NPM Network meetings and in several online training workshops.

The Tasmanian Inspector of Custodial Services hosted an NPM Symposium for nominated NPM bodies and other stakeholders in March 2024, with the Inspector and two senior staff attending in person. In May 2024 a senior staff member attended a meeting and training conference for NPM staff in Canberra, with other WA staff attending online.

Following on from the findings of the national Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, in February 2024 the Inspector participated in the Inter-jurisdictional Committee Workshop - Rights & Justice. We are also observing members of the Western Australian Interagency Working Group that is responsible for coordinating the State's response to the Royal Commission recommendations.

In the last financial year, we have also appeared before, contributed to, or made submissions to:

- ❖ the *Senate Select Committee into Public Dental Care* (following our earlier submission to the *Senate Inquiry into Dental Services*)
- ❖ the Association for the Prevention of Torture's Global Report on Women in Prison
- ❖ Australian NPM Joint Statement – *No funding for torture prevention in federal budget*
- ❖ Australian NPM Response of the Australian National Preventive Mechanism Report of the Subcommittee on Prevention of Torture – 2022 visit to Australia
- ❖ Australian NPM 2022-2023 Annual Report

The Inspector or senior staff also appeared before the Parliamentary Standing Committee on Public Administration and provided evidence to an ongoing coronial inquest.

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

- ❖ presented our findings from the 2023 Inspection of Banksia Hill Detention Centre and Unit 18 at Casuarina Prison at *the Australia and New Zealand Society of Criminology Conference*, in Melbourne
- ❖ presented at the *National Forum on Cruel, Inhuman and Degrading Treatment of People with Disability and Mental Health Disorders in Places of Detention*
- ❖ attended a roundtable meeting of *the National Review of First Nations Health Care in Prisons*
- ❖ Participated as a member of the Edith Cowan University Criminology and Justice Consultative Committee
- ❖ Disability Royal Commission Senior Officers Working Group

# OUR ENVIRONMENT: CUSTODIAL AND OFFICE PRESSURES

## YOUTH CUSTODY HIT ITS LOWEST EBB BUT HAS SHOWN SOME RECENT IMPROVEMENT

Youth custody has been one of our highest priorities over the last financial year. The tragic suicide of a young Aboriginal person, Cleveland Dodd, in October 2023 who was detained in Unit 18 at Casuarina Prison was devastating and the consequences will reverberate for years to come.

As in previous years, our responsibility to monitor the treatment of and conditions for young people in detention has consumed a significant amount of our time and resources. We visit most custodial between three and six times per year depending on risk and complexity. However, in 2023-2024 we conducted 12 liaison visits to Banksia Hill Detention Centre and Unit 18 at Casuarina Prison. Our Independent Visitors also visited five times providing valuable additional information to us through their role engaging with young people.

Between visits we have also monitored the treatment of, and conditions for, young people via daily and weekly analysis of information and data recording out of cell hours, staffing levels, critical incidents, and acts of self-harm and attempted suicides.

In May 2024, we announced another review of Banksia Hill and Unit 18 as a follow up to our February 2023 inspection which found the facilities were in states of acute crisis. We have already conducted several site visits to each facility as part of this work and sought evidence from the Department about planned and implemented changes during the intervening period.

These additional monitoring activities are necessary but resource intensive. Yet, as highlighted in our last Annual Report, we are unable to dedicate monitoring resources solely for the youth custodial estate. This has meant risk assessing and reprioritising the monitoring and liaison oversight of other custodial facilities, including reducing the number of physical attendances at Banksia Hill and Unit 18 in favour of remote assessment - last financial year we completed 25 liaison visits to the two locations. The information we have gathered from these activities informed and focussed the Inspector's regular meetings with the Minister, Director General, and Commissioner.

Cleveland Dodd's suicide was the first of a young person in custody in Western Australia in over 40 years. His tragic death marked the lowest point for youth custodial services. In addition to the unimaginable heartbreak it brought to his family and the broader community, it also had, and continues to have, far-reaching repercussions within the Department. This included the appointment of a new Commissioner for Corrective Services and the announcement of additional resources, including a permanent second facility to meet the complex needs of the various cohorts of young people in detention. An expedited Coronial Inquest is currently underway.

We have observed some recent signs of improvement, particularly from the beginning of 2024. Regular recruitment has increased custodial staffing numbers, and this has coincided with a drop in the daily average number of young people held in custody. Ultimately, this has allowed young people to be out of cell more often and for longer periods, but fluctuations remain in the data.

Adding to this there have also been fewer critical incidents with no large-scale damage or riotous events, and a slight reduction in the number of incidents involving self-harm and attempted suicide. Other improvements include the introduction of additional support services, improvements in some infrastructure, and progress towards the implementation of the new Model of Care.

Taken together, all these factors have ensured greater access for young people to services like education, psychology, case management support, community in-reach, recreation, and other supports.

These early signs of improvement are the focus of our current review, the results of which will be published later this year. But the fragility of these improvements must be recognised and the continued resourcing and support from government is essential if meaningful reform in youth justice is to be achieved.

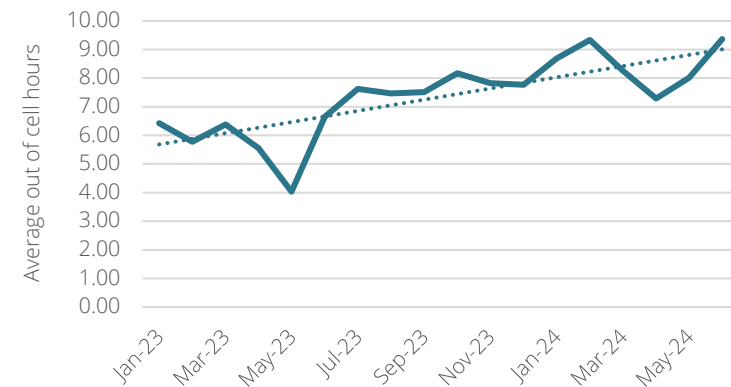


Figure 1: Average time young people have spent out of cell has increased

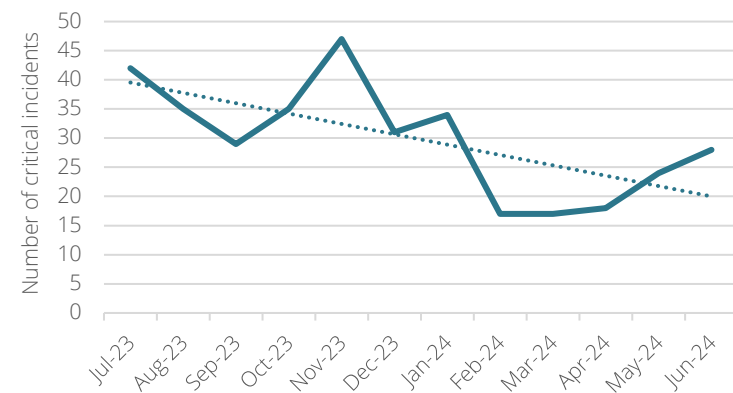


Figure 2: Number of critical incidents have decreased overall



## RECORD HIGH POPULATION PLACES STRAIN ON ADULT ESTATE

The adult custodial estate has experienced record high population levels over the past financial year. As of 30 June 2024, the total adult custodial population was 7,792 which is a 15 per cent increase from the same time last year.

In January 2024, the adult male population exceeded the previous 2020 record high of 6,389, before reaching 7,034 in late June. Similarly, the adult female population exceeded 790 in June 2024, also breaking a March 2020 record. These increases have largely been driven by more unsentenced men and women entering custody in Western Australia, continuing the trend of recent years.

Between 1 June 2023 and 1 June 2024, there was a 26.7 per cent increase in unsentenced adult males. This has placed the two primary remand facilities, Hakea and Casuarina prisons, under immense pressure. Over the first six months of 2024 both prisons have recorded daily populations that were near or exceeded their capacity. Between May and June 2024, Hakea experienced 45 consecutive days of more than 100 per cent capacity, with men regularly being required to sleep on mattresses on the floor of overcrowded cells. This has placed the facility under great strain, resulting in more lockdowns and a concerning deterioration in conditions for the men in custody. The increasing population has also led to a noticeable increase in the numbers of unsentenced prisoners held in many metropolitan and regional sentenced prisons.

There has also been a 34 per cent increase in unsentenced adult women. However, unlike the adult male population, this increase has disproportionately occurred within the Aboriginal women's population, which experienced an increase of 50 per cent. In comparison, non-Aboriginal women experienced an 11.5 per cent increase.

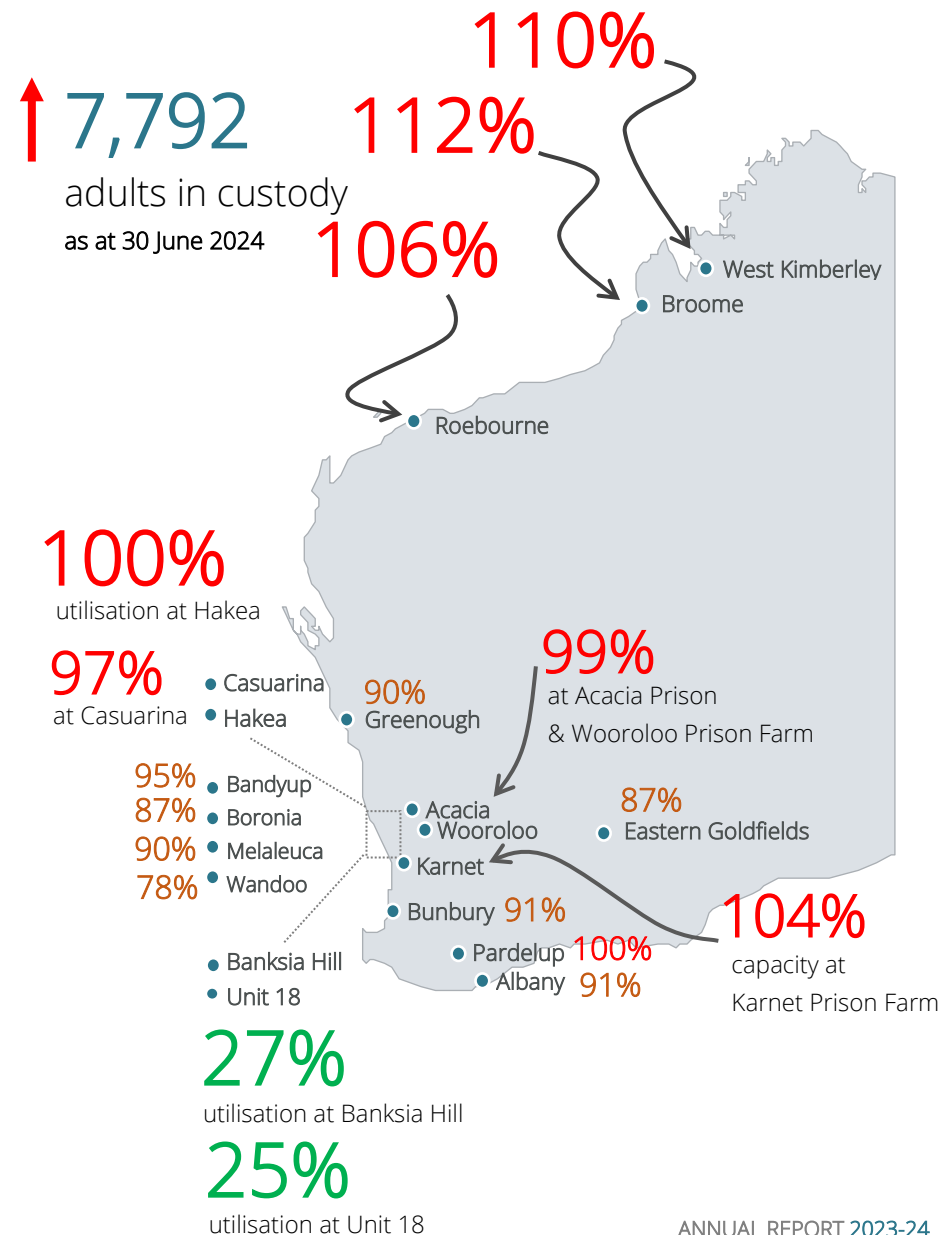
The increase in women has led to both Bandyup and Melaleuca women's prisons experiencing significant capacity pressures. This comes at a challenging time, with the women's estate transitioning to a smoke-free environment, increasing occurrences of self-harm at both Bandyup and Melaleuca, and the dedicated women's unit at Greenough Regional Prison closing to make space for the overcrowded male estate.

The increasing population has also been felt in the Pilbara and Kimberley regions. West Kimberley Regional Prison and Roebourne Regional Prison have both experienced significant increases in their population and are consistently operating over capacity. Broome Regional Prison also regularly exceeds its capacity as it is used as an overnight stop in the transportation of prisoners between Derby and Perth.

As a result of these population pressures, more Aboriginal people are being held in facilities off Country away from their family and culture. Maintaining connection to family, kinship and culture is integral to the emotional and social wellbeing of First Nations peoples (Dudgeon, et al., 2024).

The population has also continued an ageing trend that we have observed over several years. Across the adult estate, all age groups increased in size except those aged 80 and above.

However, the largest population increases occurred in the 55-59 (+24%) and 60-64 (+19%) age groups. The continuation of this trend reinforces our previous recommendation for the Department of Justice to create a strategic framework to address the age-related needs of older people in custody (OICS, 2021).



Defying the population trend seen in the adult estate, the youth population has continued to decline. The average daily number of young people being held in custody – either at the Banksia Hill Detention Centre or in the Unit 18 Juvenile Security facility – has decreased from 114 in 2021/22 to 82 in 2023/24.

This downward trend follows a series of major disturbances in recent years, the death of Cleveland Dodd in October 2023, and the courts' concerns regarding unlawful centre-wide lockdowns and deteriorating conditions. This has resulted in, for example, the President of the Children's Court opting for non-custodial or reduced sentences for some young people.

As such, it is likely that the recent numbers in youth detention are artificially low and to some extent have been offset with an increase in young people being managed in the community. Notwithstanding the cause, the decrease has helped ease the pressure at Banksia Hill, which we continue to monitor closely along with Unit 18.

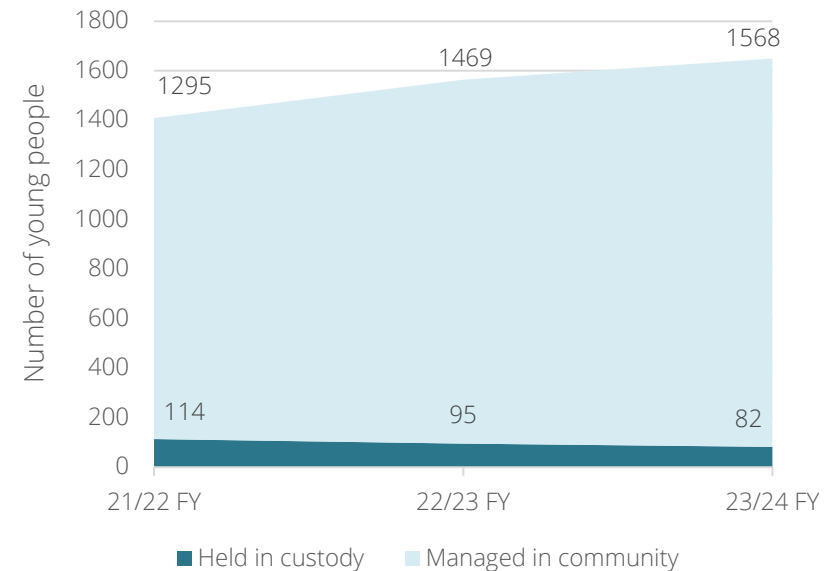


Figure 3: Youth population in custody has been in decline

## INCREASING CONCERN ABOUT UNIFORMED STAFF LEVELS, RETENTION AND MORALE

This year our attention has increasingly been drawn to the impacts of regular shortages of uniformed staff at the facilities we inspected and visited. We have often found difficulty in assessing the quality of services being delivered, and the outcomes being achieved for prisoners, because many core services were interrupted or not operating at all because of staffing shortages.

The staffing problems arise from a combination of factors and impacts each prison in different ways, often due to how they choose to manage the situation. When combined with record prisoner populations, as discussed above, the impact of staff shortages on prisoners' wellbeing, ability to participate in rehabilitation, and live decently in custody is often compromised.

Our tabled reports detail the staffing shortfalls being faced by most prisons and found that all facilities were operating daily with vacant rostered positions. Our inspection work this year from yet to be published reports, and our ongoing monitoring visits have found the same issues at most other facilities. Staffing shortfalls most often result from two sources: vacant positions or high levels of unplanned absences that cannot be backfilled. While overtime is often available, many prisons struggle to fill overtime positions, or the number of overtime positions is insufficient to cover absences.

At many prisons, there were simply not enough officers allocated to fill the total FTE needed. The Department has been working towards addressing shortfalls and appears committed to recruitment of new officers.

Vacancies were particularly noticeable at regional facilities. Many examples of this are seen in our tabled reports from inspections of Broome, West Kimberley, and Eastern Goldfields Regional Prison (EGRP) prisons. In the case of Broome, we found that many staff (263) wanted to transfer there, but a shortage of housing restricted the number that could transfer (OICS, 2023). For the other two facilities, perceptions of a more challenging living environment, housing availability, and what staff experienced as less attractive regional incentives compared to other prisons, meant staff did not want to transfer there and many wanted to transfer out (OICS, 2023) (OICS, 2024). The Department needs to consider and revise its regional incentives as part of its strategy to recruit and retain staff in remote locations, to be competitive with other industries, and to ensure equity in conditions at all remote prisons.

A positive initiative by the Department has been the expansion of local recruitment schools in several regions. Attracting staff already committed to the local community should help increase retention. It will also attract people who do not want to, or cannot, leave home to undertake the training in Perth. This has proven to be successful at some locations in the past year, and we encourage the Department to continue these efforts.

While a shortage of available staff was an issue at some locations, we also found that absenteeism was often a significant factor, particularly in metropolitan Perth. We define absenteeism as unplanned absences, such as personal or workers compensation leave. We closely examined this issue in our report on Casuarina, the state's largest prison. At that time, we found an average of 20 staff on personal leave and 58 on workers' compensation leave every day. Managing such high levels of daily absences is not possible, even if facilities were permitted to backfill all positions on overtime. This was not atypical, for example in the smaller Broome Regional Prison with a daily roster of 12 staff, it frequently had up to six absent, with one occasion just before our inspection having 11 absent. A staffing review examining the causes of absenteeism and how those can be addressed should be a priority for the Department. The impact on its budget and significant negative impacts on services make action an imperative.

In probing the causes of such high absentee rates during our work this year, staff often reflected on the pressures of increasing prisoner numbers and overcrowding without appropriate increase to resources. Staff have told us the risk to the safety of themselves and prisoners is unsustainable. We have also found that reported morale at many sites was low, with many staff feeling unsupported, especially from 'head office' and this was one driver of daily absences. Our pre-inspection survey work supports this view. Respondents to our staff surveys have rated their quality of work life lower than in previous years. This is reflected in our published report findings this year, as seen in Figure 4.

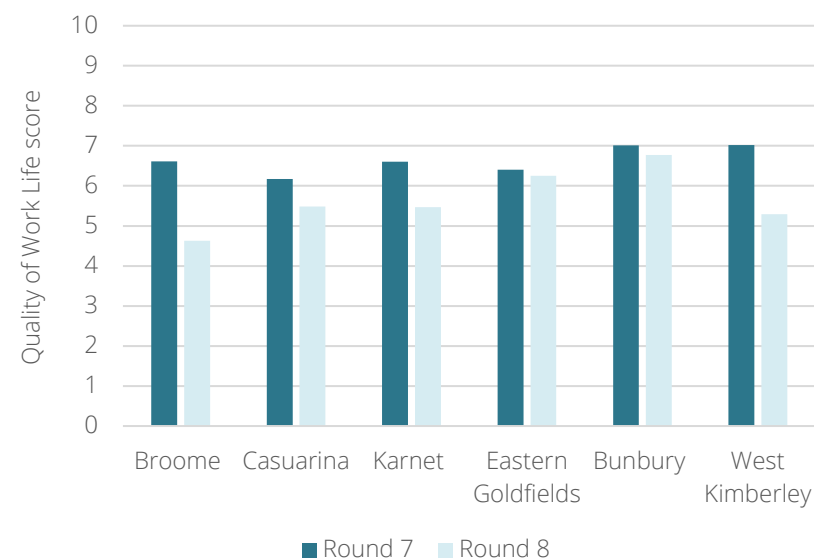


Figure 4: Staff ratings of quality of work life have declined

The Department has now taken some positive steps to address the issue of staffing numbers through increased recruitment and, as noted above, local recruitment initiatives in Geraldton, Kalgoorlie, and Albany. However, to ensure these initiatives are not eroded by an inability to retain staff, it also must turn its mind to why staff morale is so low and what action it can take to re-engage with much of its workforce.

## PRESSURES THREATENED PRISONER SERVICES AND WELLBEING

The combination of record prisoner population and staffing shortages resulting in negative impacts on the daily lives of prisoners is something we have consistently observed throughout the year.

While there has been some commitment to building new accommodation, the Department has over many years relied heavily on in-filling existing units to quickly expand prisoner bed capacity. Cells originally designed for a single occupant began to be double bunked around 12 years ago. Since then, we have seen most cells converted to multiple occupancy and many are now occupied well above the agreed minimum size (OICS, 2016). With increased bunking options exhausted, the increases in population we have seen over this past year have left prisons with limited options.

During our work in the latter part of this year we have increasingly found prisoners sleeping on trundle beds or mattresses on the floor in already doubled cells. Cramped conditions, leading to difficulty in cleaning, poor air circulation, and shared in-cell ablutions have compromised the decency of basic living conditions. It is also impacting safety when prisoners are forced to live in over-crowded environments. When you overlay adaptive regimes implemented due to staff shortages, as discussed below, this creates an even more challenging and volatile environment.

We have also historically found that while beds were added to facilities, improvements and expansion to supporting infrastructure and essential services have not kept pace. So as prisoner populations have increased, various support services have not. We were repeatedly told, and saw evidence this year, that budgets had been reduced, applying further pressure to support services.

Our published inspection reports have detailed the increased number of prisoners who could not access meaningful activities and who were idle for much of their day. This was detailed in our reports of Broome, Casuarina, EGRP, West Kimberley and Bunbury prisons. The lack of increased prisoner employment, education, and recreation services to match rising population has meant only some prisoners are getting access to meaningful activities each day. The same access issues apply to prisoner treatment programs, which are vital for prisoner rehabilitation, and have a flow-on to the ability of individuals to apply successfully for early release on parole. Our yet to be published reports from on-site inspections this year are set to reinforce these concerns.

Staffing shortfalls have also affected access to many other services. When there are vacancies on the daily prison staffing rosters, operations are managed on an agreed 'adaptive regime'. This involves a combination of shutting services that cannot be staffed and/or redeploying staff in an agreed prioritised order towards certain essential positions.

Many services like education, recreation, employment, and programs will be closed or reduced. In the worst instances prisoners may be locked in cells or wings for many hours at a time, or even entire days. Each prison has its own adaptive regime prioritising different services. And for prisons permanently short staffed, services not prioritised in their adaptive regime can be closed for weeks or even months.

In the past year we have found most prisons increasing their use of adaptive regimes, with some rarely having days without limiting services and/or locking prisoners down. Each prison is different, however. Some, like Bunbury and WKRP, do all they can to avoid locking prisoners in. For others it is one of the first options.

We were particularly concerned this year about the use of prisoner lockdowns at Hakea Prison. The prison uses a three-staged adaptive regime depending on level of staff shortage. Increasingly it had been only using regimes B and C, the highest level of lockdowns (*see Figure 5 opposite*). Our analysis of the first quarter of 2024 showed a correlation between the use of these regimes and an increase in self-harm and suicide attempts.

Our concern was so acute following our inspection in May 2024, that the Inspector issued a show cause notice to the Department and the Minister under section 33A of *The Inspector of Custodial Services Act 2003*. The details of this are provided at pages 37 - 38. However, it is considered a last resort used only when the Inspector has an extreme level of concern. There is need for urgent action at Hakea particularly, but also across the system more generally.

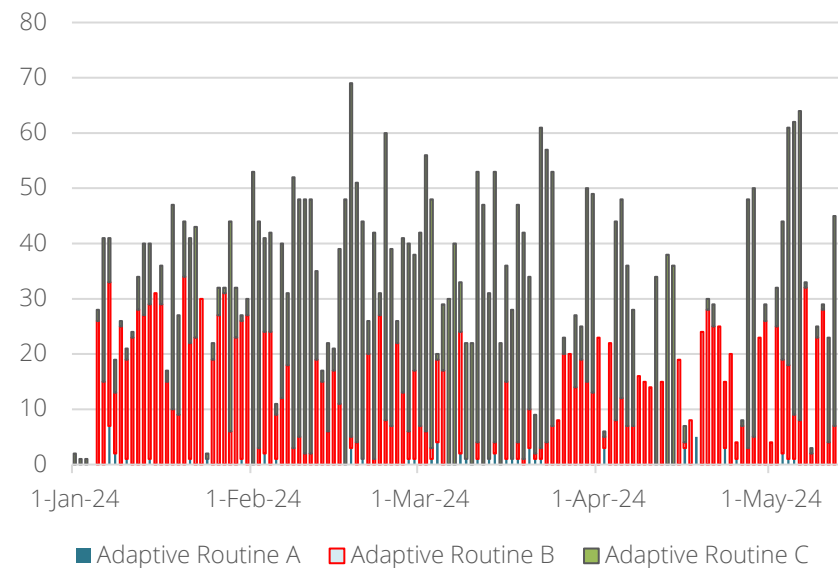


Figure 5: Adaptive routines recorded by day at Hakea Prison

## THE ADEQUACY OF DEPARTMENTAL STRATEGIC PLANNING

Corrective Services in Western Australia is a complex system managing a budget of almost \$1.28 billion, employing approximately 5,130 full time employees, and operating 17 prisons, five workcamps, and two youth detention centres. As such, it needs clearly articulated long term plans, together with strategic vision and leadership. For this reason, during our inspection and review work, we look for operational plans that align with the Department's overall strategic direction. Ideally a strategic plan should set the vision and direction for the organisation and operational or business plans should provide information on how each component part, in this case prisons and detention centres, will carry out that vision.

Our inspection reports over the past few years have highlighted the need for the Department to develop and implement a strategic plan and for each facility to have aligned operational plans to ensure they are focussed and can achieve their set goals.

The last published strategic plan for the Department was 2015-2018 *Creating Value Through Performance* (2018 Plan).

In the facilities we inspected over the past year we found some good local operational plans many of which articulated the values and principles of the Department's 2018 Plan, and some also included key result areas and deliverables. However, there was generally a lack of coordination and integration across the system leaving individual facilities to set their own vision, direction, and priorities.

Over the past year we have seen the Department face many systemic challenges, including record population numbers, significant staffing shortages, heavily reduces services for people in custody, and restrictions in daily regimes. On top of these there has been an increase in critical incidents and several tragic deaths in custody. Not surprisingly, all of this, along with aging and inadequate infrastructure, has led to many staff reporting how disillusioned and exhausted they were in managing prisons on a day-to-day basis. Prisons and detention centres simply cannot function effectively with a disengaged or disaffected workforce.

With the appointment of the new Commissioner for Corrective Services, Brad Royce APM, we have seen renewed energy and communication across the state about the development of a strategic vision with a strategic plan to be delivered at the end of 2024.

Along with the planned strategic vision, we also understand that work is underway to develop a Professional Development Strategy, a Workforce Plan, Business Plans for all the State's prisons, and the much-needed long term infrastructure plan is to be reviewed and progressed to address the long term needs of the aging and inadequate infrastructure.

These are positive steps forward in the long journey of reform and modernisation of corrective services in Western Australia. They are to be commended but ultimate success will be dependent on long term commitment, support, and resourcing from government.



## ACHIEVEMENTS IN 2023-24

The Office tabled nine reports in the last financial year, which included 88 recommendations.

### TABLED REPORTS

9

#### Target Achieved in FY23-24

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

This included 6 inspection reports and 3 thematic reviews.

*Target: 9 reports*

### COST OF REPORTS

~\$303K

#### Average Cost Increased

This year we produced 9 reports at an average cost of approximately **\$302,900**.

In FY22-23 we produced 9 reports, with the average cost per report of approximately \$284,000.

*Target: \$245,000*

### RECOMMENDATIONS

88

#### Acceptance Rate Increased

**73 of 88** recommendations either Supported, Supported in principle, or Supported current practice or project.

This equates to an **83% acceptance** rate, an increase from 78% in FY22-23.

*Target: 80%*

# INSPECTIONS

## COMPLETED INSPECTIONS

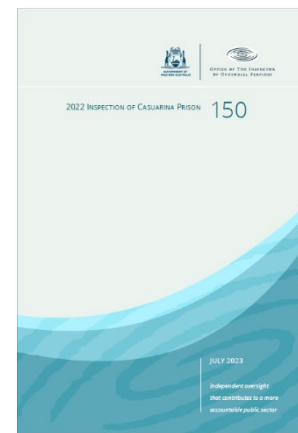
This year, we completed the on-site inspection of seven custodial facilities and services:

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

We tabled six announced inspection reports.

- ❖ [149: Inspection of Broome Regional Prison](#)
- ❖ [150: Inspection of Casuarina Prison](#)
- ❖ [151: Inspection of Karnet Prison Farm](#)
- ❖ [152: Inspection of Eastern Goldfields Regional Prison](#)
- ❖ [153: Inspection of Bunbury Regional Prison](#)
- ❖ [154: Inspection of West Kimberley Regional Prison](#)

Full copies of all reports can be found on the Inspector of Custodial Services website [www.oics.wa.gov.au/publications/inspection/](http://www.oics.wa.gov.au/publications/inspection/)



## UPCOMING INSPECTIONS

Section 33(2)(e) of *the Act* requires the Inspector to provide notice via the Annual Report of announced inspections that will be conducted in the next financial year. There are five inspections proposed for 2024-2025.

They are:

- ❖ Greenough Regional Prison (July 2024)
- ❖ Acacia Prison (October 2024)
- ❖ Minimum-security prison farms: Karnet, Pardelup and Wooroloo (October-December 2024)
- ❖ Work camps (March 2025)
- ❖ Broome Regional Prison (May 2025)

## REVIEWS

The Office tabled three reviews in 2023-24:

- ❖ [The Special Handling Unit at Casuarina Prison](#)
- ❖ [People in custody with a hearing impairment](#)
- ❖ [Recording and reporting of self-harm and attempted suicides in custody.](#)



Four other reviews were initiated or are ongoing over the same period:

### **People in custody with an intellectual disability**

This review examines whether the Department of Justice adequately identifies, manages, and supports people with intellectual disabilities who are held in Western Australian custodial facilities.

### **People in custody requiring crisis care**

This review seeks to assess the availability and design of crisis care accommodation in custodial facilities, while also determining the experiences of people in custody who access crisis care.

### **Access to chaplaincy and faith services**

This review examines whether the Department of Justice provides equitable access to faith services, chaplaincy, and resources to meet the needs of people in custody. As chaplaincy services are provided under contract, the review also assesses the efficiency and effectiveness of the contract's monitoring.

### **Review of Youth Custody: Follow-up to the 2023 Inspection (Part 2)**

This review examines young people's access to services since the February 2023 inspection of Banksia Hill Detention Centre and Unit 18 at Casuarina Prison. It focusses on young people's time out of cell attending education and programs, as well as their access to available welfare and support services.

The Office expects to table these four reports in 2024-25.

## RECONCILIATION ACTION PLAN

Our Reconciliation Action Plan (RAP) Working Group 'Maar' met quarterly over the last year to progress the Office's commitment to reconciliation and promote these activities to staff and our Senior Management Team. We always knew our Innovate RAP was an ambitious commitment. But we are pleased to note this year we achieved many important successes closing off more than 70 per cent of our 79 deliverables. Some of the work we have done this past year includes:

- ❖ Bolstering the number of First Nations employees and Independent Visitors within our workforce through targeted advertising and recruitment practices.
- ❖ Embedding our commitment to reconciliation in our induction package for new employees and Independent Visitors by promoting our RAP and delivering cultural awareness training modules.
- ❖ Celebrating NAIDOC and National Reconciliation Weeks at both internal and external events and using our website and social media account to promote our reconciliation activities.
- ❖ Increasing our commercial relationships with First Nations businesses.
- ❖ Highlighting best practices examples of anti-racism strategies and substantive equality measures in custodial institutions within our publicly tabled reports.
- ❖ Consistently assessing the operations of the Department of Justice's Aboriginal Services Committees during our Inspection and Review activities to examine their effectiveness at addressing the specific needs of First Nations people in custody and to identify future improvements in service delivery.

We have truly valued our RAP in furthering our important oversight role, particularly as First Nations people in custody remain significantly overrepresented in Western Australia. As such, we have again committed to reconciliation action by registering to develop our next RAP for 2025-2027.



*Staff gather to celebrate National Reconciliation Week.*

# COLLABORATION AND RELATIONSHIPS

## PARLIAMENT

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

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

## MINISTER FOR CORRECTIVE SERVICES

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

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

## DEPARTMENT OF JUSTICE – CORRECTIVE SERVICES

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

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

## OTHER DEPARTMENTS AND AGENCIES

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

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

## OTHER INTERACTIONS

### SHOW CAUSE NOTICES

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

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

Ideally, communication between the Inspector, the Department, and the Minister will be such that matters of risk can be raised and responded to without the need for a show cause notice.

On 27 May 2024, the Inspector issued a Show Cause Notice under s.33A of the Act (the Notice) to the then Acting Director General of the Department of Justice following an inspection of Hakea Prison (Hakea).

The Inspector issued the Notice after considering a summary report detailing grave concerns about the conditions for, and treatment of, prisoners at Hakea. These concerns were identified during preliminary inspection work and the inspection of Hakea which was undertaken between 6 May 2024 and 9 May 2024.

Based on the preliminary findings of the Hakea inspection, the Inspector formed a reasonable suspicion that:

1. There was a serious risk to the safety, care or welfare of prisoners held in Hakea; and
2. That prisoners were being subjected to cruel, inhuman, or degrading treatment in Hakea.

The Notice advised the Acting Director General that the Inspector was specifically concerned that due to ongoing daily staff shortages, prisoners at Hakea were:

- ❖ being held in conditions that failed to meet minimum local, national, and international standards
- ❖ regularly subjected to restricted regimes
- ❖ regularly not getting access to fresh air and exercise through reasonable time out of their cell or their unit
- ❖ not receiving sufficient time and opportunity to maintain contact with their family or friends
- ❖ being held in unhygienic conditions (including not having access to clean and hygienic cells, not always having access to a daily shower, and having to defecate in their cell which is shared with another prisoner)
- ❖ served and required to eat all meals in their cells (which also contains the toilet), leading to food waste attracting rodents and other pests
- ❖ served their evening meal in their cell sometime between 3.00pm and 4.00pm each afternoon, meaning they are required to go almost 15 hours between dinner and breakfast.

The Notice identified that at the relevant time, these problems were compounded by the population in Hakea being at or above 100% occupancy.

The Notice also provided the detailed grounds for issuing the Notice. This included that the Inspector had formed a view that prisoners at Hakea were being treated in a manner that was cruel, inhuman, or degrading; and further that analysis suggested prisoners were increasingly responding with anger, frustration, and challenging or dangerous behaviours, including suicides, suicide attempts, serious self-harm attempts, and assaults.

A formal response from the Department was required by 5 June 2024, which was extended to 7 June 2024.

### The Department's Response to the Notice

The Department responded to the Notice on 7 June 2024 acknowledging many of the core issues raised in the Notice and setting out plans and initiatives to address the concerns raised. This included: ongoing efforts to increase attendance, recruitment, and retention of custodial and clinical staff; efforts to increase bed capacity across the system; steps to improve population management; and efforts to improve services and conditions for prisoners in Hakea. Most, if not all, of these steps were existing initiatives already being pursued by the Department.

### The matter was referred to the Minister

Following consideration of the Department's response, on 14 June 2024 the Inspector referred the matters covered in the Notice to the Minister in accordance with Sections 33A (6) and (7) of the Act.

The Inspector advised the Minister of concerns that most prisoners at Hakea were, on a regular basis, being denied their basic entitlements as defined in the *Universal Declaration of Human Rights*, the *Nelson Mandela Rules*, *The Standard Guidelines for Corrections in Australia*, and the *Office of the Inspector of Custodial Services' Revised Code of Inspection Standards*.

The plans and initiatives outlined in the Department's submission were acknowledged, but the Inspector advised that he did not think they would in the immediate short-term resolve the concerns raised, which meant that prisoners would continue to be held in substandard conditions and the risks to their safety and wellbeing would remain. The Inspector advised that a broader system level response was required and recommended that the scale of the problems being experienced across corrections were such that a taskforce style intervention was required with cooperation and collaboration across relevant agencies with a role to play.

At the time of writing the Minister had not responded to the referral of the matter by the Inspector.



## LITTLE PROGRESS MADE ON THE IMPLEMENTATION OF THE UNITED NATIONS OPTIONAL PROTOCOL TO THE CONVENTION AGAINST TORTURE (OPCAT)

Despite being appointed one of two National Preventive Mechanism (NPM) OPCAT bodies in Western Australia, we remain unfunded and without statutory authority to commence this new function. Australia's obligations as a signatory to OPCAT commenced on 20 January 2023. As the nominated NPM for justice-related places of detention, our jurisdiction was proposed to be expanded to include the 156 police lock-up facilities used across the state. But without additional funding and legislative changes, we have been unable to commence this work.

Notwithstanding this, we have continued our work visiting, inspecting, and reviewing the adult and youth custodial estates in Western Australia. This ongoing model of inspection helps prevent mistreatment by maintaining visibility and oversight over custodial facilities.

During the year we engaged with the Australian NPM Network, coordinated by the Commonwealth Ombudsman, and participated in various NPM Network activities and meetings. We contributed to submissions on a range of issues relevant to the treatment and conditions for people being held against their liberty. Senior staff also participated in the 2024 OPCAT Symposium hosted by the Tasmanian NPM and attended OPCAT training in Canberra with other NPM agencies.

Under OPCAT there is also a requirement for NPMs to report annually on their activity. To fulfil this duty the Australian NPM Network has produced an annual report that includes contributions from participating members, including our Office. The report highlights the work undertaken by members despite ongoing challenges each jurisdiction faces with implementation. It can be found on the Commonwealth Ombudsman's website: [Australian-NPM-Annual-Report-2022-23-304534.pdf](https://www.ombudsman.gov.au/Australian-NPM-Annual-Report-2022-23-304534.pdf) ([ombudsman.gov.au](https://www.ombudsman.gov.au))



*OPCAT Annual Report of the Australian National Preventative Mechanism*

Once OPCAT is implemented in Western Australia there is likely to be an increased focus on meeting international and national minimum standards and expectations for corrections and the operation of prisons and detention centres.

There are many international conventions, standards and rules that are applicable, including the:

- ❖ *Universal Declaration of Human Rights*
- ❖ *United Nations Standard Minimum Rules for the Treatment of Prisoners (the Nelson Mandela Rules).*
- ❖ *United Nations Rules for the Treatment of Women Prisoners and Non-custodial Measures for Women Offenders (the Bangkok Rules).*
- ❖ *United Nations Standard Minimum Rules for the Administration of Juvenile Justice (the Beijing Rules).*
- ❖ *United Nations Rules for the Protection of Juveniles Deprived of their Liberty (the Havana Rules)*

Within the Australian and Western Australian context there are the *Guiding Principles for Corrections in Australia*, which represents the 'national intent around which each Australian state and territory will develop its practices, policies, and performance standards' (CSAC, 2018, p. 4). Each Australian State and Territory is listed as subscribing to the development of these principles.

There are also the *Revised Code of Inspection Standards for Adult Custodial Services* (OICS, 2020) and the *Code of Inspection Standards for Young People in Detention* (OICS, 2010).

These various instruments and standards supplement relevant statutory requirements established under Western Australian law.

### *TERRORISM (PREVENTIVE DETENTION) ACT 2006*

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

### DISCLOSURE OF INFORMATION

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

# PART TWO

## SOURCE REFERENCE

FMA s 61      HON PAUL PAPALIA, CSC, MLA  
TI 902      MINISTER FOR CORRECTIVE SERVICES

In accordance with section 61 of the *Financial Management Act 2006*, I hereby submit for your information the Annual Report of the Office of the Inspector of Custodial Services for the reporting period ending 30 June 2024.

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



**Eamon Ryan**  
**Inspector of Custodial Services**  
19 September 2024

## OPERATIONAL STRUCTURE

### ENABLING LEGISLATION

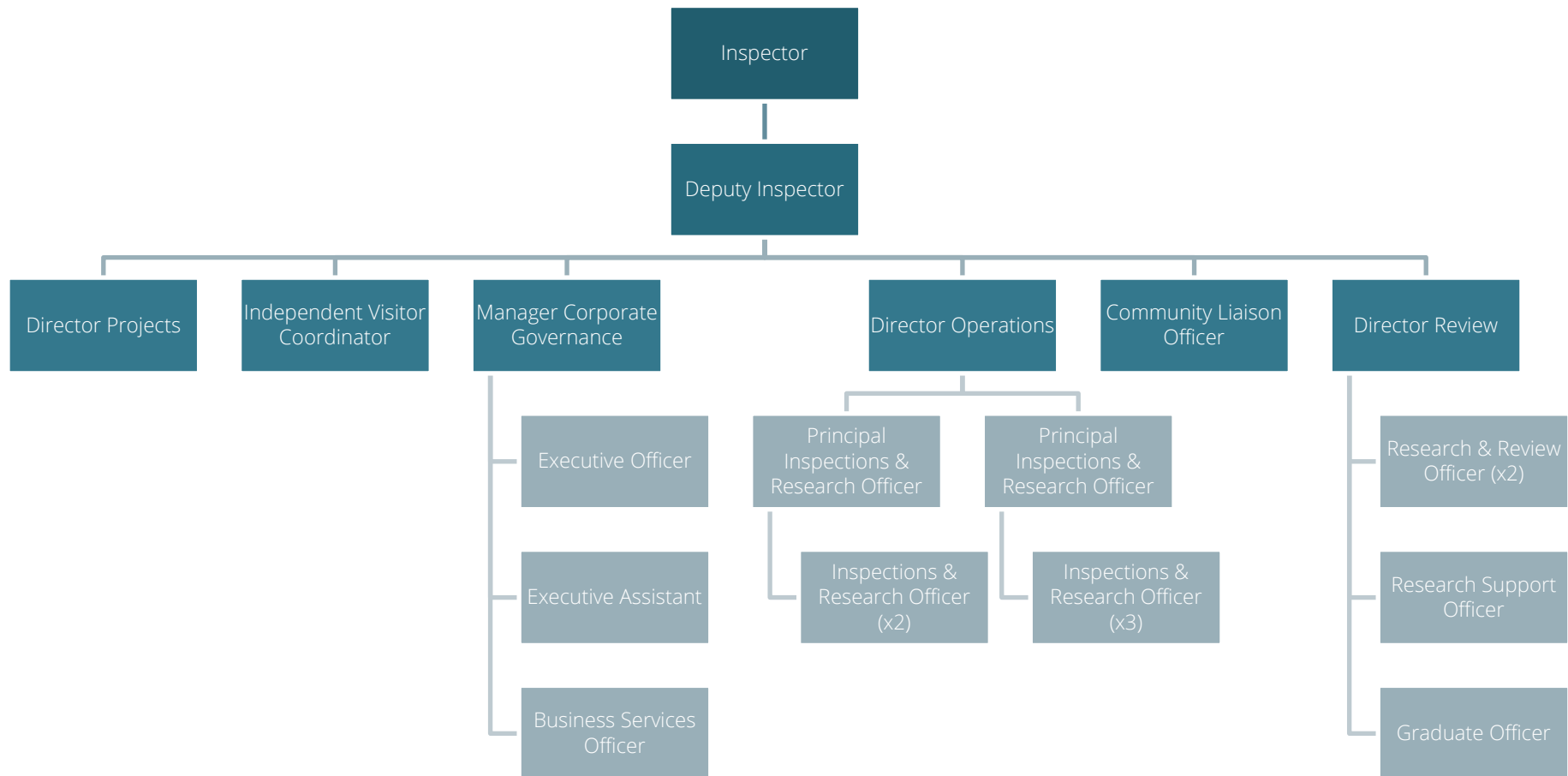
The Office was established as a department on 1 June 2000 pursuant to Section 35 of the *Public Sector Management Act 1994* and Section 4A (2) of the *Public Sector Management (General) Amendment Regulations 2000*.

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

### RESPONSIBLE MINISTER

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

## ORGANISATIONAL CHART



## SENIOR OFFICERS



Mr Eamon Ryan was initially appointed as Inspector of Custodial Services on 4 May 2019, taking over from Mr Neil Morgan, who retired after 10 years in the role. Mr Ryan was appointed for a second five-year term in May 2024.

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



Ms Jane Higgins was appointed as Deputy Inspector of Custodial Services in September 2023, taking over from Mr Darian Ferguson.

Before taking up the appointment, Ms Higgins was Director of State Operations Support at Silverchain. Prior to that, she held the position of Superintendent Emergency Management and Specialist Support Division WA Police Force having been a Police Officer for 29 years. Ms Higgins holds a Graduate Certificate in Public Sector Management and brings a wealth of experience across many strategic and operational areas within the WA Police Force and the not-for-profit industry.

## ADMINISTERED LEGISLATION

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

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

## OTHER KEY LEGISLATION IMPACTING ON THE OFFICE'S ACTIVITIES

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

- ❖ *Auditor General Act 2006*
- ❖ *Constitution Act 1889*
- ❖ *Constitution Acts Amendment Act 1899*
- ❖ *Corruption, Crime and Misconduct Act 2003*
- ❖ *Court Security and Custodial Services Act 1999*
- ❖ *Disability Services Act 1993*
- ❖ *Equal Opportunity Act 1984*
- ❖ *Electoral Act 1907*
- ❖ *Electronic Transactions Act 2011*
- ❖ *Evidence Act 1906*
- ❖ *Financial Management Act 2006*
- ❖ *Fines, Penalties and Infringement Notices Enforcement Act 1994*
- ❖ *Industrial Relations Act 1979*
- ❖ *Interpretation Act 1984*
- ❖ *Long Service Leave Act 1958*
- ❖ *Legal Deposit Act 2012*
- ❖ *Minimum Conditions of Employment Act 1993*

- ❖ *Prisons Act 1981*
- ❖ *Procurement Act 2020*
- ❖ *Public Interest Disclosure Act 2003*
- ❖ *Public Sector Management Act 1994*
- ❖ *Racial Discrimination Act 1975*
- ❖ *State Records Act 2000*
- ❖ *State Records (Consequential Provisions) Act 2000*
- ❖ *Terrorism (Preventative Detention) Act 2006*
- ❖ *Work Health and Safety Act 2020*
- ❖ *Young Offenders Act 1994*

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

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

## OTHER FINANCIAL DISCLOSURES

### SOURCE REFERENCE

Employment and Industrial Relations

### STAFF PROFILE

	2022-23	2023-24
Full-time permanent	12	12
Full-time contract	3	2
Part-time measured on an FTE basis	3	3
Part-time contract	0	2
	<b>18*</b>	<b>19**</b>

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

\*\*The Office has 22 staff across all organisational roles. Accounting for part-time positions this equates to 19 FTE. One position was vacant.

### STAFF DEVELOPMENT

The Office is committed to developing its employees. Our strategy is to maintain a highly skilled and professional workforce. Staff attended courses, workshops and conferences including Leading Work, Health and Safety (WHS) for Supervisors and Managers, Writing Plain English, Online Records Management Basics Training and online Cultural Inclusion training. The Office has focused on Workplace Health and Safety education and training for staff, holding an in-house WHS and Risk-Management workshop for all staff as part of an ongoing, structured training program.

### WORKERS' COMPENSATION

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

### INTERNAL AUDIT AND RISK COMMITTEE

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

# GOVERNANCE DISCLOSURES

## SOURCE REFERENCE

TI 903 Contracts with senior officers

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

# OTHER LEGAL REQUIREMENTS

## SOURCE REFERENCE

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

- 1. In the administration of the Office, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.
- 2. I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the statement made in 1 above is correct.
- 3. The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

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



Eamon Ryan  
Inspector of Custodial Services  
19 September 2024



## SOURCE REFERENCE

TI 903 *Electoral Act 1907*, Section 175ZE

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

Details are as follows:

Expenditure with advertising agencies	\$0
Expenditure with market research agencies	\$0
Expenditure with polling agencies	\$0
Expenditure with direct mail agencies	\$0
Expenditure with media advertising agencies	\$0
TOTAL EXPENDITURE	\$0

## DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

### SOURCE REFERENCE

*Disability Services Act 1993* Compliance with the *Disability Services Act 1993*, Section 29

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

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

A copy of the plan can be viewed or downloaded from the Office's website or requested in alternate formats via phone or email.

## RECORDKEEPING PLAN

### SOURCE REFERENCE

*State Records Act 2000*      Compliance with the *State Records Act 2000*,  
Section 16

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

The Office's Plan is compliant with section 16 of the *State Records Act 2000* and is regularly reviewed to ensure retention periods are aligned with latest requirements, and that the systems in place to ensure information security are appropriate to address known and emerging risks.

The Office is undertaking significant work across Information Security and Management, in readiness for the requirements of the incoming Privacy and Responsible Information Sharing (PRIS) legislation.

## MULTICULTURAL PLAN

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

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

With the completion of the current plan in 2024, the Office is currently undergoing a process to develop a People Strategy to bring together the agency's diversity, equity and inclusion (DEI) commitments into a comprehensive document that will be embedded in the Office's processes and culture.

## WORKPLACE HEALTH AND, SAFETY, AND INJURY MANAGEMENT

The Office recognises the importance of providing a safe, healthy and injury-free work environment. We promote education and awareness in workplace health and safety (WHS), and injury management, with staff participating in training on both general and specific WHS risks relevant to their roles, including psychosocial risks.

The Office has recorded no work-related injury or illness over the last three years.

The Office has two trained Health and Safety Representatives (HSR) who undertake workplace inspections, are members of the WHS Committee, and provide an opportunity for staff to report concerns or ideas to improve process and policies.

The Office is mindful of ensuring the safety and wellbeing of staff during inspections of facilities. Staff wear appropriate PPE under relevant conditions and have supports available to stay mentally healthy. Operational staff complete a Defensive Driving course to ensure safety while travelling in metropolitan and remote areas.

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

On commencement and prior to entering a custodial facility, staff and Independent Visitors receive an induction to ensure they can operate in a safe and secure manner. Student and independent observer visits are subject to a risk assessment including a self-assessment before attending

each facility. Further, our staff and Independent Visitors are required to work in pairs when in a custodial facility. Where this is not possible, a risk assessment is performed, and additional controls may be put in place to mitigate any safety concerns.

All members of the Senior Management Team have attended Leading WHS for Supervisors and Managers training, and Work Health and Safety is a standing agenda item for Senior Management Team meetings.

A separate WHS Committee meets quarterly to discuss emerging issues, changes to regulations, training requirements, and any hazards or incidents reported in the preceding quarter.

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

## ANNUAL PERFORMANCE

MEASURES	2021-22	2022-23	2023-24	TARGETS	COMMENTS TOWARDS TARGETS
Number of fatalities	0	0	0	0	Achieved
Lost time injury and disease incident rate	0	0	0	0 or 10 per cent reduction in incidence rate	Achieved
Lost time injury and severity rate	0	0	0	0 or 10 per cent reduction in severity rate	Achieved
Percentage of injured workers returned to work within 13 weeks.	NA	NA	NA	Greater than or equal to 80 per cent returned to work within 26 weeks.	Achieved
Percentage of injured workers returned to work within 26 weeks	NA	NA	NA	Greater than or equal to 80 per cent returned to work within 26 weeks.	Achieved
Percentage of managers trained in occupational safety health and injury management responsibilities including refresher training within three years.	100	100	100	Greater than or equal to 80 per cent.	Achieved

## PART THREE

This section contains the following:

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



### Auditor General

#### INDEPENDENT AUDITOR'S REPORT

2024

Office of the Inspector of Custodial Services

To the Parliament of Western Australia

#### Report on the audit of the financial statements

##### Opinion

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

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Office of the Inspector of Custodial Services for the year ended 30 June 2024 and the financial position as at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

##### Basis for opinion

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

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

##### Responsibilities of the Inspector of Custodial Services for the financial statements

The Inspector of Custodial Services is responsible for:

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

Page 1 of 5

7<sup>th</sup> Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 5557 7500

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

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

#### Auditor's responsibilities for the audit of the financial statements

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

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

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

### Report on the audit of controls

#### Opinion

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

In my opinion, in all material respects, the controls exercised by the Office of the Inspector of Custodial Services are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2024, and the controls were implemented as designed as at 30 June 2024.

#### The Inspector of Custodial Services' responsibilities

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

#### Auditor General's responsibilities

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

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

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

#### Limitations of controls

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

### Report on the audit of the key performance indicators

#### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Office of the Inspector of Custodial Services for the year ended 30 June 2024 reported in accordance with *Financial Management Act 2006* and the Treasurer's Instructions (legislative requirements). The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators report of the Office of the Inspector of Custodial Services for the year ended 30 June 2024 are in accordance with the legislative requirements, and are relevant and appropriate to assist users to assess the Office's performance and fairly represent indicated performance for the year ended 30 June 2024.

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

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

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

#### Auditor General's responsibilities

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

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

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

#### My independence and quality management relating to the report on financial statements, controls and key performance indicators

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

#### Other information

The Inspector of Custodial Services is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial statements, key performance indicators and my auditor's report.

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Office of the Inspector of Custodial Services for the year ended 30 June 2024 included in the annual report on the Office's website. The Office's management is responsible for the integrity of the Office's website. This audit does not provide assurance on the integrity of the Office's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.

Mark Ambrose

Mark Ambrose  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
19 September 2024



## PERFORMANCE MANAGEMENT FRAMEWORK

### KEY PERFORMANCE INDICATORS

#### Certification of Key Performance Indicators

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Office of the Inspector of Custodial Services' performance, and fairly represent the performance of the Office for the reporting period ended 30 June 2024.



Eamon Ryan

19 September 2024

#### Shared responsibilities with other agencies

The Office did not deliver services jointly with any other agency in 2023-2024.

#### Detailed Information in Support of Key Performance Indicators

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

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

#### Measuring Performance

##### Government Goal

Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive.

##### Desired Outcome

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

##### Service

Inspection and review of custodial services



### Purpose, Vision and Values

Our purpose is to provide independent oversight of custodial facilities and services in Western Australia.

Our vision is to promote humanity and decency in custodial facilities and services throughout Western Australia.

Our values are:

- Integrity
- Equity
- Quality
- Innovation

We aim to:

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

### 1.0 KEY EFFECTIVENESS INDICATORS

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

Key Effectiveness Indicator	1.1 Number of recommendations made		1.2 Percentage of recommendations accepted	
	Target	Actual	Target	Actual
2020-21	100	91	80%	87%
2021-22	100	130	80%	70%
2022-23	100	91	80%	78%
2023-24	100	88	80%	83%

#### 1.1 Number of recommendations made

This KPI represents the number of recommendations made in inspection and review reports tabled during the year and the cyclical variations arising from the mandated three-year cycle of inspections. The number of recommendations generated depends upon a range of subjective factors that exist within the prisons and detention centre at the time of inspection or review. It is not unusual to make more recommendations in larger and more complex facilities because there are more issues to address. The number of recommendations for 2023-24 is below target from the nine reports published.



## 1.2 Percentage of recommendations accepted

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

Overall, 83 per cent of recommendations were accepted. Of the 88 recommendations, 15 were either not supported (10) or noted<sup>1</sup> (5). The other recommendations were either supported, supported as current practice or supported in principle.

Supported as current practice refers to those recommendations where the Department:

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

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

## 2.0 KEY EFFICIENCY INDICATORS

Key Efficiency Indicators <sup>2</sup>	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Target 2023-24
Reports	8	11	9	9	9
2.1 Average cost per Report <sup>3</sup> (\$)	341,243	265,862	283,548	302,966	245,000

Key Efficiency Indicators	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Target 2023-24
Liaison Visits	64	55	78	72	60
2.2 Average cost per liaison visit (\$)	8,437	10,429	8,547	8,082	10,000

Key Efficiency Indicators	Actual 2020-21	Actual 2021-22	Actual 2022-23	Actual 2023-24	Target 2023-24
Independent visitors' service report	97	142	163	121	150
2.3 Average cost per independent visitors' service report (\$)	2,986	1,714	3,713	4,864	2,000

<sup>1</sup> Noted refers to when the Department considers that the recommendation is outside the influence or control of the Department.

<sup>2</sup> The time allocated is based on an overall estimate of the time staff spend on each activity, measured quarterly, rather than detailed time keeping of every task undertaken. We believe this is a fair representation for the purpose of these key performance indicators.

<sup>3</sup> The average time taken from the start of an inspection to the production and lodgement of a report in Parliament is between six and nine months depending upon the complexity of the facility or service.

## 2.1 Average cost per report

The number of tabled reports has met the annual target of nine reports. Inspections operate on a mandated three-year cycle where each prison, youth detention centre, court custody centre and prescribed lockup is required to be subjected to a full inspection. Unlike inspections, the review function is not subject to a mandated cycle. This year we tabled six inspection reports and three review reports.

The Office had four reports at an advanced stage of drafting at the end of the financial year but not yet tabled in Parliament, which impacted the overall cost per tabled report for the year.

## 2.2 Average cost per liaison visit

The number of liaison visit reports exceeds the target this year due to additional liaison visits conducted across the custodial estate commensurate with the identified risk levels of individual facilities throughout the year. The average cost per liaison visit is below target due to the higher number of visits conducted. The target of 60 liaison visit reports is based on risk with a minimum of four visits occurring at the large and complex facilities (Hakea, Casuarina, Bandyup, Banksia Hill and Unit 18) and three visits occurring at the remaining prisons. Each work camp and court custody centre receive at least one visit between the three-year inspections.

## 2.3 Average cost per independent visitor's service report

The number of independent visit (IV) reports is lower than the target and the average cost per Independent Visitor Report has increased significantly in 2023-24.

This is due in part to the introduction of a policy where volunteers are required, for safety reasons and whenever possible, to attend facilities in pairs, resulting in a single, comprehensive report being furnished to the Office. This year the Office also hosted a two-day conference for all Independent Visitors, providing an opportunity to hear from the Minister and subject matter experts, receive cultural and wellbeing training, and collaborate with peers and the Office's staff. A more accurate system of estimating staff time spent on independent visitor activities has also been in place for the past two financial years. The target of 150 independent visitor reports is based on each prison (17) and detention centre receiving approximately eight visits annually.

## Disclosures and Legal Compliance

### Financial Statements

#### Certification of Financial Statements for the Reporting Period ended 30 June 2024

The accompanying financial statements of the Office of the Inspector of Custodial Services have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

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



K MacGregor  
A/ Chief Finance Officer  
19/09/2024



E Ryan  
Accountable Authority  
19/9/2024



### Financial Statements for the year ended 30 June 2024

The Office has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2024 which provides users with the information about the Office's stewardship of resources entrusted to it. The financial information is presented in the following structure.

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**OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
<b>Cost of Services</b>			
<b>Expenses</b>			
Employee benefits expenses	2.1	2,784,909	2,574,057
Supplies and services	2.2	711,560	815,894
Depreciation and impairment expense	4.1	9,963	10,818
Accommodation expenses	2.2	319,635	347,688
Finance costs	6.3	671	97
Other expenses	2.2	65,300	75,300
<b>Total Cost of Services</b>		<b>3,892,038</b>	<b>3,823,854</b>
<b>Income</b>			
Revenue			
Other revenue	3.2	53,233	152,485
<b>Total Income</b>		<b>53,233</b>	<b>152,485</b>
<b>NET COST OF SERVICES</b>		<b>3,838,805</b>	<b>3,671,369</b>
<b>Income from State Government</b>			
Service appropriation	3.1	3,818,000	3,788,000
Resources received	3.1	20,239	16,242
<b>Total Income from State Government</b>		<b>3,838,239</b>	<b>3,804,242</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(566)</b>	<b>132,873</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(566)</b>	<b>132,873</b>



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

**OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	Notes	2024 \$	2023 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.4	527,097	595,166
Receivables	5.1	226,562	184,416
Other current assets	5.3	2,818	2,818
<b>Total Current Assets</b>		<b>756,477</b>	<b>782,400</b>
<b>Non-Current Assets</b>			
Receivables	5.1	56,000	56,000
Amounts receivable for services	5.2	913,000	913,000
Right-of-use assets	4.1	43,420	2,249
<b>Total Non-Current Assets</b>		<b>1,012,420</b>	<b>971,249</b>
<b>TOTAL ASSETS</b>		<b>1,768,897</b>	<b>1,753,649</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.4	397,567	391,565
Employee related provisions	2.1(b)	513,070	519,326
Lease liabilities	6.1	6,495	2,425
<b>Total Current Liabilities</b>		<b>917,132</b>	<b>913,316</b>
<b>Non-Current Liabilities</b>			
Employee related provisions	2.1(b)	110,321	135,760
Lease liabilities	6.1	37,436	-
<b>Total Non-Current Liabilities</b>		<b>147,757</b>	<b>135,760</b>
<b>TOTAL LIABILITIES</b>		<b>1,064,889</b>	<b>1,049,076</b>
<b>NET ASSETS</b>		<b>704,008</b>	<b>704,573</b>
<b>EQUITY</b>			
Contributed equity	8.5	964,000	964,000
Accumulated deficit	8.5	(259,992)	(259,427)
<b>TOTAL EQUITY</b>		<b>704,008</b>	<b>704,573</b>



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

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2024

Notes	Contributed Equity \$	Accumulated Surplus/ (Deficit) \$	Total Equity/ (Deficit) \$
<b>Balance at 1 July 2022</b>	964,000	(392,300)	571,700
Deficit	-	132,873	132,873
<b>Total comprehensive income for the period</b>	-	132,873	132,873
Transactions with owners in their capacity as owners: - Capital contributions	8.5	-	-
<b>Total</b>	-	-	-
<b>Balance at 30 June 2023</b>	964,000	(259,427)	704,573
<b>Balance at 1 July 2023</b>			
Surplus	964,000	(259,427)	704,573
<b>Total comprehensive income for the period</b>	-	(566)	(566)
Transactions with owners in their capacity as owners: - Capital contributions	8.5	-	-
<b>Total</b>	-	-	-
<b>Balance at 30 June 2024</b>	964,000	(259,992)	704,008

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



OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2024

Notes	2024 \$	2023 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>		
Service appropriations	3,818,000	3,760,000
Capital contributions	-	-
<b>Net cash provided by State Government</b>	3,818,000	3,760,000
<b>Utilised as follows:</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Employee benefits	(2,793,702)	(2,380,658)
Supplies and services	(706,133)	(795,226)
Accommodation	(319,635)	(320,251)
Finance costs	(671)	(97)
Other payments	(65,300)	(81,621)
GST payments on purchases	(114,334)	(121,640)
<b>Receipts</b>		
GST receipts on sales	512	798
GST receipts from taxation authority	119,604	119,852
Other receipts	3,218	7,759
<b>Net cash used in operating activities</b>	(3,876,441)	(3,571,084)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Payments</b>		
Principal elements of lease payments	(9,628)	(4,551)
<b>Net cash used in financing activities</b>	(9,628)	(4,551)
Net increase in cash and cash equivalents	(68,070)	184,365
Cash and cash equivalents at the beginning of the period	595,167	410,801
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	527,097	595,166

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



OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

The Office is a WA Government entity controlled by the State of Western Australia, the ultimate parent.

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

These annual financial statements were authorised for issue by the Accountable Authority of the Office on 19 September 2024.

**Statement of compliance**

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by Treasurer's instructions. Several of these are modified by Treasurer's instructions to vary application, disclosure, format and wording.

The Act and Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board. Where modification is required and has had a material or significant financial effect upon the reported results, details of the modification and the resulting financial effect are disclosed in the notes to the financial statements.

**Basis of preparation**

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

**Accounting for Goods and Services Tax (GST)**

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

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

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

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION (Continued)

**Comparative Information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliation; and
- Right-of-Use Assets reconciliation

**Judgements and estimates**

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

**Contributed equity**

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



OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

2. USE OF OUR FUNDING

Expenses incurred in the delivery of services

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

	Notes	2024 \$	2023 \$
Employee benefits expenses	2.1(a)	2,784,909	2,574,057
Employee related provisions	2.1(b)	623,391	655,086
Other expenditure	2.2	1,096,495	1,238,882

2.1 (a) Employee benefits expenses

Employee benefits	2,443,864	2,305,556
Superannuation — defined contribution plans	272,933	225,335
Other related expenses	68,112	43,166

**Total employee benefits expenses** **2,784,909** **2,574,057**

Add:		
- AASB 16 Non-monetary benefits	9,963	10,818
Less:		
- Employee contributions	(5,058)	(7,777)

**Total employee benefits provided** **2,789,814** **2,577,098**

Employee benefits

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

Superannuation

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

AASB 16 Non-monetary benefits

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

Employee contributions

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

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

2.1 (b) Employee related provisions

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

	2024 \$	2023 \$
<b>Current</b>		
<u>Employee Benefits Provisions</u>		
Annual leave	196,512	224,108
Long service leave	314,006	292,636
	<b>510,518</b>	<b>516,744</b>

Other Provisions

Employment on-costs	2,552	2,852
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**Total current employee related provisions** **513,070** **519,328**

**Non-Current**

Employee Benefits Provisions

Long service leave	109,772	135,084
--------------------	---------	---------

Other Provisions

Employment on-costs	549	676
---------------------	-----	-----

**Total non-current employee related provisions** **110,321** **135,760**

**Total employee related provisions** **623,391** **655,086**

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

**2.1 (b) Employee related provisions (Continued)**

(a) Annual leave liabilities

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

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

(b) Long service leave liabilities

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

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

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

(c) Employment on-costs

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

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

	2024 \$	2023 \$
<b>- Employment On-Costs Provision</b>		
Carrying amount at start of period	3,259	3,546
Additional/(reversal of) provisions recognised	(158)	(287)
Unwinding of the discount	-	-
<b>Carrying amount at end of period</b>	<b>3,101</b>	<b>3,259</b>

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

**2.1 (b) Employee related provisions (Continued)**

Key sources of estimation uncertainty — long service leave

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

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

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

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

	2024 \$	2023 \$
<b>2.2 Other expenditure</b>		
<u>Supplies and services</u>		
Communications	32,360	33,123
Consultants and contractors (a)	432,923	551,278
Consumables	23,397	30,193
Materials	26,636	43,292
Lease, rent and hire costs	29,313	22,033
Travel	94,196	85,710
Other	72,735	50,265
<b>Total supplies and services expenses</b>	<b>711,560</b>	<b>815,894</b>
(a) Consultants and contractors consist of:		
Computing and IT services	142,115	194,155
Temporary personnel	65,451	165,499
Professional services finance	89,177	97,393
Professional services other	30,748	34,388
Other (i)	105,432	59,883
<b>Total consultants and contractors</b>	<b>432,923</b>	<b>551,278</b>

(i) The cost represents freight, human resource, payroll delivery, record management and website hosting services.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

2.2 Other expenditure (Continued)	2024 \$	2023 \$
<u>Accommodation expenses</u>		
Office Rental	319,635	347,688
<b>Total accommodation expenses</b>	<b>319,635</b>	<b>347,688</b>
<u>Other expenses</u>		
Audit fees (a)	65,300	75,300
<b>Total other expenses</b>	<b>65,300</b>	<b>75,300</b>
<b>Total other expenditure</b>	<b>1,096,495</b>	<b>1,238,882</b>

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

Supplies and services

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

Office rental

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

Repairs, maintenance and cleaning costs

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

Employment on-costs

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

Other Supplies and Services

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

Lease Rent and Hire Costs

Lease rent and hire costs include:

1. Short-term leases with a lease term of 12 months or less;
2. Low-value leases with an underlying value of \$5,000 or less.
3. Variable lease payments are recognized in the period in which the event or conditions that trigger those payments occur.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

**3. OUR FUNDING SOURCES**

**How we obtain our funding**

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

	Notes	2024 \$	2023 \$
Income from State Government	3.1	3,838,239	3,804,242
Other revenue	3.2	53,233	152,485

**3.1 INCOME FROM STATE GOVERNMENT**

	2024 \$	2023 \$
Appropriation received during the period:		
- Service appropriation	3,818,000	3,788,000
<b>Total service appropriation</b>	<b>3,818,000</b>	<b>3,788,000</b>
- Resources received free of charge from other Public Sector entities during the period	20,239	16,242
Total resources received	20,239	16,242
<b>Total income from State Government</b>	<b>3,838,239</b>	<b>3,804,242</b>

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

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



OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

**Summary of Consolidated Account Appropriations**

	2024 Budget Estimate \$	2024 Section 25 transfers \$	2024 Additional Funding* \$	2024 Revised Budget \$	2024 Actual \$	2024 Variance \$
<b>Delivery of Services</b>						
Item 69 net amount appropriated to deliver services	3,567,000	-	-	3,567,000	3,567,000	-
<b>Amount Authorised by Other Statutes</b>						
Salaries and allowances Act 1975	251,000	-	-	251,000	251,000	-
<b>Total Appropriations Provided to Deliver Services</b>	<b>3,818,000</b>	<b>-</b>	<b>-</b>	<b>3,818,000</b>	<b>3,818,000</b>	
<b>Capital</b>						
Item 158 capital appropriations	-	-	-	-	-	-
<b>TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS</b>	<b>3,818,000</b>	<b>-</b>	<b>-</b>	<b>3,818,000</b>	<b>3,818,000</b>	<b>-</b>

\* Additional funding includes supplementary funding and new funding authorised under section 27 of the Act and amendments to standing appropriations.

**3.2 OTHER REVENUE**

Employee contributions		5,058	7,777
Leave Entitlement Transfer	(b)	34,807	-
Recouped payroll revenue	(a)	11,650	144,528
Sundry Debtors		1,718	180
		<u>53,233</u>	<u>152,485</u>

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

(b) Leave entitlement transfer receivable arises from leave balance of employees who transferred to the Office of the Inspector of Custodial Services from other government departments.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

**4. KEY ASSETS**

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

	Notes	2024 \$	2023 \$
Right-of-use assets	4.1	43,420	2,249
Total key assets		<u>43,420</u>	<u>2,249</u>

**4.1 RIGHT-OF-USE-ASSETS**

	2024 \$	2023 \$
<u>Right-of-use assets</u>	Vehicles	Vehicles
Carrying amount at beginning of period	2,249	6,746
Additions	51,134	6,321
Depreciation	(9,963)	(10,818)
Net carrying amount as at end of period	<u>43,420</u>	<u>2,249</u>

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

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

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4.1 RIGHT-OF-USE-ASSETS (Continued)

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

Initial recognition

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

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

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

Subsequent measurement

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

Depreciation and impairment of right-of-use assets

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

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

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

Impairment

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

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

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

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5. OTHER ASSETS AND LIABILITIES

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

	Notes	2024 \$	2023 \$
Receivables	5.1	282,562	240,416
Amounts receivable for services	5.2	913,000	913,000
Other current assets	5.3	2,818	2,818
Payables	5.4	397,567	391,565

5.1 RECEIVABLES

		2024 \$	2023 \$
<u>Current</u>			
Accrued Revenue		194,741	144,726
GST receivable		31,821	39,690
<b>Total Current</b>		<b>226,562</b>	<b>184,416</b>
<u>Non-Current</u>			
Restricted cash and cash equivalents			
Accrued salaries suspense account (a)	5.1	56,000	56,000
<b>Total Non-Current</b>		<b>56,000</b>	<b>56,000</b>
<b>Total receivables at the end of the period</b>		<b>282,562</b>	<b>240,416</b>

**Accrued revenue** relates to an amount receivable from Public Sector Commission, specifically relating to salaries receivable for the secondment of the former Deputy Inspector and a Leave Entitlement Transfer receivable relating to the leave balances of an employee who transferred to the Office of the Inspector of Custodial Services from Department of Justice.

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

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

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

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**5.2 AMOUNTS RECEIVABLE FOR SERVICES  
(HOLDING ACCOUNT)**

	2024 \$	2023 \$
Non-Current	913,000	913,000
<b>Total Amounts receivable for services at end of period</b>	<b>913,000</b>	<b>913,000</b>

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

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

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	2024 \$	2023 \$
<b>5.3 OTHER CURRENT ASSETS</b>		
Prepayments	2,818	2,818

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

	2024 \$	2023 \$
<b>5.4 PAYABLES</b>		
Trade payables	187	24,882
Accrued expenses	67,247	61,197
Accrued salaries	325,557	295,567
FBT payable	3,551	3,551
Salary sacrifice reimbursement	1,025	-
Super other	-	6,368
<b>Total payables at end of period</b>	<b>397,567</b>	<b>391,565</b>

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

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

**Accrued salaries** represent the amount due to staff but unpaid at the end of the reporting period. A portion of the accrued salaries relates to amounts owed to Department of Justice for an employee seconded to OICS. Accrued salaries are settled within a fortnight after the reporting period. The Office considers the carrying amount of accrued salaries to be equivalent to its fair value.

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**6. FINANCING**

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

	Notes
Lease liabilities	6.1
Assets pledged as security	6.2
Finance costs	6.3
Cash and cash equivalents	6.4

6.1 LEASE LIABILITIES	Notes	2024 \$	2023 \$
No later than one year		6,495	2,425
Later than one year and no later than 5 years		30,239	-
Later than 5 years		7,197	-
		<u>43,931</u>	<u>2,425</u>
Current		6,495	2,425
Non-current		37,436	-
		<u>43,931</u>	<u>2,425</u>

Initial measurement

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

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

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

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

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**6.1 LEASE LIABILITIES (Continued)**

Initial measurement (Continued)

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

This section should be read in conjunction with note 4.1.

Subsequent measurement

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

**6.2 ASSETS PLEDGED AS SECURITY**

The carrying amounts of non-current assets pledged as security are:

	2024 \$	2023 \$
Right-of-use asset vehicles	43,420	2,249
<b>Total assets pledged as security</b>	<u>43,420</u>	<u>2,249</u>

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

**6.3 FINANCE COSTS**

Lease interest expense	671	97
<b>Total finance costs expensed</b>	<u>671</u>	<u>97</u>

Finance costs include the interest component of lease liability repayments.

6.4 CASH AND CASH EQUIVALENTS	Notes	2024 \$	2023 \$
Cash and cash equivalents		527,097	595,166
<b>Balance at end of period</b>		<u>527,097</u>	<u>595,166</u>

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**7. FINANCIAL INSTRUMENTS AND CONTINGENCIES**

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

**7.1 FINANCIAL INSTRUMENTS**

Notes      2024      2023  
\$                    \$

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

**Financial assets**

Cash and cash equivalents		527,097	595,166
Financial assets at amortised cost	(a)	1,107,741	1,057,726
<b>Total financial assets</b>		<b>1,634,838</b>	<b>1,652,892</b>

**Financial liabilities**

Financial liabilities at amortised cost	(b)	436,923	384,071
<b>Total financial liabilities</b>		<b>436,923</b>	<b>384,071</b>

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

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

**7.2 CONTINGENT ASSETS AND LIABILITIES**

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

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

There were no contingent liabilities or contingent assets as of 30 June 2024.

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**8. OTHER DISCLOSURES**

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

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

**8.1 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

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

**8.2 KEY MANAGEMENT PERSONNEL**

The Office has determined that key management personnel include cabinet ministers and senior officers. However, the Office does not incur expenditures to compensate the Ministers. The disclosures regarding Ministers' compensation may be found in the *Annual Report on State Finances*.

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

Compensation Bands (\$)	2024	2023
0 - 50,000	-	-
50,001 - 100,000	-	-
100,001 - 150,000	-	-
150,001 - 200,000	1	-
200,001 - 250,000	-	1
250,001 - 300,000	1	1
300,001 - 350,000	-	-
<b>Total compensation of senior officers</b>	<b>459,883</b>	<b>495,032</b>

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**8.3 RELATED PARTY TRANSACTIONS**

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

Related parties of the Office include:

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

**Material transactions with related parties**

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

**8.4 REMUNERATION OF AUDITORS**

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

	2024 \$	2023 \$
Auditing the accounts, financial statements, controls and key performance indicators	52,300	47,500

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**8.5 EQUITY**

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

**Contributed Equity**

	2024 \$	2023 \$
Balance at start of period	964,000	964,000
<u>Contributions by owners</u>		
- Capital appropriation	-	-
Total contributions by owners	-	-
Balance at the end of period	964,000	964,000

**Accumulated Deficit**

Balance at start of period	(259,427)	(392,300)
Surplus / (Deficit) for the period	(566)	132,873
Balance at end of period	(259,993)	(259,427)
<b>Total Equity at End of Period</b>	<b>704,007</b>	<b>704,573</b>

**8.6 SUPPLEMENTARY FINANCIAL INFORMATION**

The Office did not have any bad debts in the years ended 30 June 2024 and 2023. Furthermore, the Office had no write-offs of public property, no losses through theft or default, and no gifts of public property made or received in 2024 and 2023.



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## 8.7 EXPLANATORY STATEMENT

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

All variances between estimates (original budget) and actual results for 2024 and between the actual results for 2024 and 2023 are shown below.

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

1. Estimate and actual results for the current year:
  - Total Cost of Services of the annual estimates for the Statement of comprehensive income and Statement of cash flows; and
  - Total Assets of the annual estimates for the Statement of financial position.
2. Actual results between the current year and the previous year:
  - Total Cost of Services of the previous year for the Statements of comprehensive income and Statement of cash flows; and
  - Total Assets of the previous year for the Statement of financial position.

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
NOTES TO THE FINANCIAL STATEMENTS  
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## 8.7.1 Statement of Comprehensive Income Variances

		Estimate (1) 2024	Actual 2024	Actual 2023	Variance Between Actual And Estimate	Variance Between Actual Results for 2024 and 2023
Employee benefits expense		2,624,000	2,784,909	2,574,057	160,909	210,852
Supplies and services	(a) (d)	578,000	711,560	815,894	133,560	(104,334)
Depreciation and impairment expense		9,000	9,953	10,818	953	(865)
Accommodation expenses		337,000	319,835	347,688	(17,365)	(28,053)
Finance costs		2,000	671	97	(1,329)	574
Other expenses	(a)	356,000	65,300	75,300	(290,700)	(10,000)
<b>Total Cost of Services</b>		<b>3,906,000</b>	<b>3,892,038</b>	<b>3,823,854</b>	<b>(13,962)</b>	<b>68,184</b>
<b>Income</b>						
Revenue						
Other revenue	(b)(e)	5,000	53,233	152,485	48,233	(99,252)
<b>Total Income</b>		<b>5,000</b>	<b>53,233</b>	<b>152,485</b>	<b>48,233</b>	<b>(99,252)</b>
<b>Total income other than income from State Government</b>		<b>5,000</b>	<b>53,233</b>	<b>152,485</b>	<b>48,233</b>	<b>(99,252)</b>
<b>NET COST OF SERVICES</b>		<b>3,901,000</b>	<b>3,838,805</b>	<b>3,671,369</b>	<b>(62,195)</b>	<b>167,436</b>
<b>Income from State Government</b>						
Service appropriation		3,818,000	3,818,000	3,788,000	-	30,000
Resources received	(c)	88,000	20,239	16,242	(67,761)	3,997
<b>Total Income from State Government</b>		<b>3,906,000</b>	<b>3,838,239</b>	<b>3,804,242</b>	<b>(67,761)</b>	<b>33,997</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>5,000</b>	<b>(566)</b>	<b>132,873</b>	<b>(5,566)</b>	<b>(133,439)</b>
Total other comprehensive income		-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>5,000</b>	<b>(566)</b>	<b>132,873</b>	<b>(5,566)</b>	<b>(133,439)</b>

1. These estimates are published in the State Budget 2023-24. Budget Papers No.2 'Budget Statements'.

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8.7 EXPLANATORY STATEMENT (Continued)

8.7.1 Statement of Comprehensive Income Variances (Continued)

Major Estimate and Actual (2024) Variance Narratives

- (a) The variances in supplies and services are due to some expenses, which the Office classified as other expenses for budget purposes, classified as supplies and services for actual.
- (b) The variance in other revenue arises from Leave entitlement transfer receivable arises from leave entitlement transfer receivables, which arises from leave balances of employees who transferred to the Office of the Inspector of Custodial Services from other government departments.
- (c) The variance in resources received is due to a substantial reduction in resources received free of charge from the Department of Finance and State Solicitor's Office.

Major Actual (2024) and Comparative (2023) Variance Narratives

- (d) The Office had reduction in costs in 2024, primarily due to no longer employing temporary personnel and instead employing additional officers to deliver its services.
- (e) The variance in other revenue arises from the accrual of a payroll expenditure incurred by the Office for an employee seconded to the Public Sector Commission during 2023, which will be reimbursed to the Office.

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8.7 EXPLANATORY STATEMENT (Continued)

8.7.2 Statement of Financial Position Variances

	Estimate (1) 2024	Actual 2024	Actual 2023	Variance Between Actual And Estimate	Variance Between Actual Results for 2024 and 2023
	\$	\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	407,000	527,097	595,166	120,097	(68,069)
Receivables	39,000	226,562	184,416	187,562	42,146
Amounts receivable for services	1,000	-	-	(1,000)	-
Other current assets (a)	44,000	2,818	2,818	(41,182)	-
<b>Total Current Assets</b>	<b>491,000</b>	<b>756,477</b>	<b>782,400</b>	<b>265,477</b>	<b>(25,923)</b>
<b>Non-Current Assets</b>					
Restricted cash and cash equivalents	48,000	-	-	48,000	-
Receivables	-	56,000	56,000	56,000	-
Amounts receivable for services	913,000	913,000	913,000	-	-
Plant and equipment (b)	39,000	-	-	(39,000)	-
Right-of-use assets (e)	-	43,420	2,249	43,420	41,171
<b>Total Non-Current Assets</b>	<b>1,000,000</b>	<b>1,012,420</b>	<b>971,249</b>	<b>12,420</b>	<b>41,171</b>
<b>TOTAL ASSETS</b>	<b>1,491,000</b>	<b>1,768,897</b>	<b>1,753,649</b>	<b>277,897</b>	<b>15,248</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Payables	51,000	397,567	391,565	346,567	6,002
Employee related provisions (c)	648,000	513,070	519,326	(134,930)	(6,256)
Other current liabilities (d)	65,000	-	-	(65,000)	-
Lease liabilities	10,000	6,495	2,425	(3,505)	4,070
<b>Total Current Liabilities</b>	<b>774,000</b>	<b>917,132</b>	<b>913,316</b>	<b>143,132</b>	<b>3,816</b>
<b>Non-Current Liabilities</b>					
Employee related provisions (e)	105,000	110,321	135,760	5,321	(25,439)
Lease liabilities (f)	31,000	37,436	-	6,436	37,436
<b>Total Non-Current Liabilities</b>	<b>136,000</b>	<b>147,757</b>	<b>135,760</b>	<b>11,757</b>	<b>11,997</b>
<b>TOTAL LIABILITIES</b>	<b>910,000</b>	<b>1,064,889</b>	<b>1,049,076</b>	<b>154,889</b>	<b>15,813</b>
<b>NET ASSETS</b>	<b>581,000</b>	<b>704,008</b>	<b>704,573</b>	<b>123,008</b>	<b>(565)</b>
<b>EQUITY</b>					
Contributed equity	964,000	964,000	964,000	-	-
Accumulated deficit	(383,000)	(259,992)	(259,427)	123,008	(565)
<b>TOTAL EQUITY/(DEFICIT)</b>	<b>581,000</b>	<b>704,008</b>	<b>704,573</b>	<b>123,008</b>	<b>(565)</b>

1. These estimates are published in the State Budget 2023-24, Budget Papers No.2 'Budget Statements'.



**OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES  
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**8.7 EXPLANATORY STATEMENT (Continued)**

**8.7.2 Statement of Financial Position Variances (Continued)**

**Major Estimate and Actual (2024) Variance Narratives**

- (a) The variance in other assets is due primarily to the reduction of expenses being prepaid in 2024.
- (b) The budget balance for "Plant and Equipment" should be offset and reclassified to "Right-of-Use Assets". The budget assumed that the Office's property lease would be classified as an asset along with two motor vehicle leases. See Note 4.1.
- (c) Both annual leave and long service leave provisions decreased this year relative to budget primarily due to an increase in leave being taken during 2024.
- (d) The variance in other current liabilities is due primarily to some liabilities included in the other current liability estimate but included in payables for actual.

**Major Actual (2024) and Comparative (2023) Variance Narratives**

- (e) The variance in right of use assets is due to replacement of two leased motor vehicles. The Office obtained new lease vehicles compared to previous year which it continued to maintain the existing lease vehicle after its lease period.
- (f) Long service leave provisions decreased this year relative to the prior year, due to an increase in leave being taken during 2024.

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**8.7 EXPLANATORY STATEMENT (Continued)**

**8.7.3 Statement of Cash Flows Variances**

		Estimate (1) 2024	Actual 2024	Actual 2023	Variance Between Actual And Estimate	Variance Between Actual Results for 2024 and 2023
		\$	\$	\$	\$	\$
<b>Statement of Cash Flows</b>						
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation		3,818,000	3,818,000	3,760,000	-	58,000
Capital contributions		-	-	-	-	-
<b>Net cash provided by State Government</b>		<b>3,818,000</b>	<b>3,818,000</b>	<b>3,760,000</b>	<b>-</b>	<b>58,000</b>
<b>CASH FLOWS FROM OPERATION ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits	(c)	(2,624,000)	(2,793,704)	(2,380,658)	(169,704)	(413,046)
Supplies and services	(a) (d)	(486,000)	(706,132)	(795,225)	(220,132)	89,093
Accommodation		(337,000)	(319,635)	(320,251)	17,365	616
Other payments	(a)	(357,000)	(65,300)	(81,621)	291,700	16,321
Finance Costs		(2,000)	(671)	(97)	1,329	(574)
GST payments on purchases	(b)	(42,000)	(114,334)	(121,640)	(72,334)	7,306
<b>Receipts</b>						
GST receipts on sales		-	512	798	512	(286)
GST receipts from taxation authority	(b)	42,000	119,604	119,852	77,604	(248)
Other receipts		5,000	3,218	7,759	(1,782)	(4,541)
<b>Net Cash Provided by/(Used in) Operating Activities</b>		<b>(3,801,000)</b>	<b>(3,876,441)</b>	<b>(3,571,083)</b>	<b>(75,441)</b>	<b>(305,358)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Payments</b>						
Principal elements of lease payments		(8,000)	(9,628)	(4,551)	(1,628)	(5,077)
<b>Net Cash Provided by/(Used in) Financing Activities</b>		<b>(8,000)</b>	<b>(9,628)</b>	<b>(4,551)</b>	<b>(1,628)</b>	<b>(5,077)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>9,000</b>	<b>(68,070)</b>	<b>184,366</b>	<b>(77,070)</b>	<b>(252,436)</b>
Cash and cash equivalents at the beginning of the period		447,000	595,167	410,801	148,167	184,366
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>456,000</b>	<b>527,097</b>	<b>595,167</b>	<b>71,097</b>	<b>(68,070)</b>

1. These estimates are published in the State Budget 2023-24. Budget Papers No.2 'Budget Statements'.

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**8.7 EXPLANATORY STATEMENT (Continued)**

**8.7.3 Statement of Cash Flows Variances (Continued)**

**Major Estimate and Actual (2024) Variance Narratives**

- (a) The variances in supplies and services and other payments are due primarily to some payments included in other payments for the estimate but in supplies and services for the actual.
- (b) The budget assumed GST payments and collections on just budgeted supplies and services.

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

**Major Actual (2024) and Comparative (2023) Variance Narratives**

- (c) Employee benefits for 2024 has increased because of temporary personnel in 2023 transitioning to employment, additional hires and increases in wage rates;
- (d) The Office had reduction in costs in 2024, primarily due to no longer employing temporary personnel and instead employing additional officers to deliver its services.

# APPENDIX A: BIBLIOGRAPHY

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