



Department of Corrective Services
Government of Western Australia



ANNUAL REPORT 2005-2006

DEPARTMENT OF CORRECTIVE SERVICES

HON MARGARET M QUIRK MA LLB (HONS)
MLA
Minister for Corrective Services

In accordance with sections 62 and 66 of the *Financial Administration and Audit Act 1985*, I hereby submit for your information and presentation to the Parliament the Annual Report of the Department of Corrective Services for the year ending 30 June 2006.

This report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.



Ian Johnson

Commissioner
12 September 2006
Department of Corrective Services
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COMMISSIONER'S REPORT

Correctional services is a difficult and challenging business – one that is always demanding, can be dangerous, and is a service that is absolutely essential for the safety and security of our community.

To work in correctional services is not 'just a job'. It is an honourable vocation that requires a diverse and dedicated team that is prepared to accept the many challenges and limitations of the system, but still strive to make a positive difference in the management of offenders and the safety of the community.

Risks associated with offender management can never be fully eliminated as there are inherent risks in managing people who have diverse and special needs. In many instances they may suffer from mental illness, substance abuse, personality disorders, intellectual disabilities or from personal abuse. However, there remains a fundamental obligation to ensure that risks are mitigated as much as possible to enhance the quality of life and well being of all people in this State. We must ensure our staff are safe and those in our care are managed in a humane and appropriate way.

Reducing offending, assisting victims, protecting staff and the community, and encouraging offenders towards law-abiding lifestyles is our mission. The Department of Corrective Services is committed to operating in a professional, open and responsive manner for all stakeholders. We ensure that community safety is a high priority through the effective management of potential risks and challenges while ensuring best value for community resources. Staff are supported and provided opportunities. Victims are acknowledged and the over-representation of Aboriginal people in the justice system challenged. There is an ongoing focus on effective governance, accountability and continuous improvement of services.

Against any measure, this past year has been an unusually turbulent yet exciting period for the Department.

The first half of the year was met with much public criticism and intense independent scrutiny, resulting in the Mahoney Inquiry into the Management of Offenders in Custody and in the Community, which provided Government with the 'blueprint' for reform. In response to a number of critical incidents leading to the Inquiry, the focus was on bringing a degree of stability to the Department by addressing a range of offender management, leadership and cultural issues.

The Department of Corrective Services was created on 1 February 2006 as a result of one of a number of key recommendations of the Mahoney Inquiry. As inaugural Commissioner of Corrective Services, I am committed to taking us forward in the future – to improving offender services and providing a safer, improved work environment that includes a focus on training and professional development.

The Department's Reform Program Plan provides carefully-paced but sustainable strategies to meet current and future needs. It particularly addresses a number of key foundation issues that impact on the safety and security of staff and the community through focusing on core issues that will provide a solid foundation for the future.

These foundation issues include:

- safety and security
- appropriate prison officer staffing levels
- appropriate community justice officer staffing levels
- training and development
- intelligence
- prisoner classification and case management
- prison infrastructure
- appropriate structures and skills (including the formation of a Professional Standards Division within the Department).

Through this approach – and a long-term commitment to building strong foundations for offender services in WA – I hope the community will regain confidence in the Department and its ability to deliver essential services.

In the immediate future the Department will focus on key reform priorities that include:

REFORM PRIORITY 1 – Leadership

- To provide strong leadership at all levels

REFORM PRIORITY 2 – A New Department

- To establish the Department on a foundation of effective governance and accountability

REFORM PRIORITY 3 – Professionalism

- To embed high professional standards, integrity and compliance
- To develop a professional, proud and skilled workforce

REFORM PRIORITY 4 – Continuous Improvement

- To ensure an ongoing focus on continuous improvement and the effective management of community resources

A new structure and direction

The Commissioner's executive team and revised organisational structure, established on 1 February 2006, reflect the new approach to service delivery.

Two new divisions have been created – the Offender Management and Professional Development Division under a Deputy Commissioner, and the Professional Standards, Integrity and Compliance Division under an Assistant Commissioner. The former is focused on providing quality staff training and development, health services and offender services. The latter is committed to ensuring the highest standards of professionalism and integrity are demonstrated by all within the Department through the provision of:

Department of Corrective Services first five months:

1 February 2006: Department of Corrective Services created.

23 April 2006: Government allocates \$100m over four years for reform program.

8 May 2006: Margaret Quirk MLA sworn in as Minister for Justice

10 May 2006: Ian Johnson appointed permanent Commissioner.

11 May 2006: Government boosts capital works budget by \$13 million to \$79 million.

26 May 2006: Margaret Quirk MLA sworn in as new Minister for Corrective Services.

- corporate risk management
- corporate corruption prevention
- proactive compliance testing
- quality assurance
- complaint investigation and assessment
- standards development and a framework incorporating compliance and reporting
- professional response to reform emanating from key external stakeholders.

The Department's strategic direction, *Building the Foundation*, is also well progressed and will be released in early 2006/2007 – setting a clear plan for the organisation for the next two years.

Staff challenges

By working together with a common purpose within a new Department, staff have elevated the sense of pride and professionalism within this organisation during the year. In just a short time they have made tangible enhancements to improve the way we do business.

In return, the Department's reform program has contributed to, and will continue to provide, a safer work environment and more staff, including prison and juvenile custodial officers, community based operational staff and administrative staff in corporate support areas.

Community engagement

The Department began important planning to address the over-representation of Aboriginal people who come in contact with the criminal justice system. In conjunction with the Department of the Attorney General, strategies to reduce Aboriginal imprisonment were developed, including planning for new custodial facilities in the Kimberley and Goldfields regions and new services to increase employment opportunities of Aboriginal prisoners on release. Appropriate engagement with Aboriginal communities is integral to the success of these strategies and will continue throughout 2006/2007.

Collaboration and benchmarking

Stronger collaboration with Government partners was a key focus in 2005/2006, with an important partnering charter signed with WA Police to recognise the separate but linked role each plays in the criminal justice system. Through intelligence sharing, effective working relationships, linked information systems and sharing reform experiences, both agencies expect to improve service outcomes to the Western Australian community. In 2006/2007, executive teams from both agencies will continue to work together and meet on a regular basis to determine how this can be achieved.

The Department also drew on international and national research, methods and experiences of corrective service providers this year to inform its initiatives.

A significant contribution was made to improving and understanding mental health problems of offenders, with research undertaken that showed offenders with untreated mental illness were more likely to re-offend when released. Aspects of the research were included in a paper on the mental health of WA offenders, which was endorsed by the Corrective Services Ministers' Conference held in June 2006.

Understanding risks

The Mahoney Inquiry highlighted the impact public perception had on the decision-making around offender management, and the need for the Department to be proactive in informing the public about the inherent benefits and limitations of a corrective service.

The Department's four cornerstones continued to provide the framework for planning services, monitoring performance and reporting achievements. Significant gains were made against these cornerstones in 2005/2006, including:

Custody and containment – unlawful absences from prisons continued to decline, with none from medium or maximum-security facilities in 2005/2006.

Care and wellbeing – the Prison Counselling Service provided individual counselling to 3146 prisoners as part of crisis assessment and intervention, and suicide and self-harm prevention.

Reparation – a seventh work camp opened at Mt Morgans which, together with the State's six other work camps, provided about 70,000 hours of reparation to regional communities. Additionally, offenders on community work orders provided another 250,000 hours.

Rehabilitation and reintegration – offender programs, education and community re-entry services continued to be a priority, with 890 offenders starting offender programs.

Women offenders

A positive highlight for the Department this year was the continuing success of the Boronia Pre-release Centre for Women. The centre received many accolades in 2005/2006, including the Premier's Award for Excellence 2005 in the People and Communities category. Boronia, which has been open for just over two years, fosters community contact which is essential for successful reintegration of women prisoners into society.

Initial research showed the rate of reimprisonment of women leaving Boronia was about half the national average.

Looking forward

In a few short months, the Department has made clear progress on setting new standards and milestones for the future. It has taken a more open and contemporary attitude to service delivery and public commentary. Those wanting change to happen

overnight will be disappointed, the reform ahead needs to provide sustainable change that is well planned and implemented in partnership with staff and key stakeholders.

In the coming year, the Department will concentrate on cementing its reform program. Leadership, professionalism and teamwork, united by a common purpose, will remain strong themes and there will be a specific focus on providing visible, accountable and decisive operations and services.

Equally important, the Department will focus on its people and building a proud and skilled workforce who are confident in their workplace and the job they do.

As Commissioner of Corrective Services, I have great pride in our organisation, our people and the direction we are taking. By being proactive and working in collaboration with the community and Government agencies, I am confident progress through changes over the next 12 months will take the Department of Corrective Services on a new and positive direction to ensure the safety, security and confidence of the people of Western Australia.



Ian Johnson

Commissioner
18 September 2006
Department of Corrective Services

BETTER PLANNING: BETTER SERVICES

The Department of Corrective Services contributes to all five of the strategic goals for the Government in its strategic framework – *Better Planning: Better Services*.

Through its agencies, and with the community and industry, the Government seeks to improve the life of all Western Australians. In this report, the Department's achievements, which specifically address the key integrated priority areas for Government are indicated by the following symbols:

People and communities

To enhance the quality of life and well being of all people throughout Western Australia.

Regions

To ensure that regional Western Australia is strong and vibrant.

The economy

To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.

The environment

To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.

Governance

To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.

PROFILE OF THE DEPARTMENT

About this report

The Department of Corrective Services was formed on 1 February 2006 following the separation of the Department of Justice. The creation of the Department was a key recommendation of the independent Mahoney Inquiry into the Management of Offenders in Custody and in the Community.

This report provides information about the new Department and those offender management functions of the former Department of Justice. It has been compiled to provide an overview for a full 12 months.

Some services – such as corporate support services – are provided to the Department of Corrective Services by the Department of the Attorney General during an interim period. Information about those services can be found in the [Department of the Attorney General Annual Report 2005/2006](#).

Financial statements for Prisons (now called Adult Custodial) and Community Justice Services, from 1 July 2005 to 31 January 2006, also appear in the [Department of the Attorney General 2005/2006 Annual Report](#).

About us

The creation of the Department of Corrective Services has provided a new direction for the management of offenders in WA.

The Department is focused on ensuring community and staff safety and security, as well as improving offender management through stronger assessment, classification and case management.

The Department reports to the Minister for Corrective Services, the Hon Margaret M Quirk MLA, and is headed by Commissioner Ian Johnson.

The functions of the Department of Corrective Services include:

- managing adult and juvenile offenders in custody and in the community in accordance with court orders, community standards and crime prevention
- developing offender management policy in Western Australia
- reparative and protective mediating, and notifications, to assist victims of crime.

The new Department has been operating for five months. It has made significant inroads to improve foundation issues associated with offender management, but there is a significant task ahead.

The focus of the next 12 months will be on the reform program *Building the Foundation* and transitioning those services still shared with the Department of the Attorney General.

Strategic plan

At 30 June, the Department’s Strategic Plan was being finalised and will be released in early 2006/2007.

The creation of the new Department has provided a greater focus on the management of offender services. This has been led by an executive team that has taken a fresh approach to management and staff support. Key recommendations from the Mahoney Inquiry provide a blueprint for reform and the executive team has focused on key foundations for improvements to corrective services with an increased focus on safety and security.

In 2005/2006 and beyond, ‘*Building the Foundation*’, will focus on :
Leadership, a new department, professionalism and continuous improvement.

Corporate structure



Awards and commendations

The Department received the following awards in 2005/2006 for various areas associated with the planning, development and operation of Boronia Pre-release Centre for Women:

- **Winner:** People and Communities: Premier’s Award for Excellence 2005
- **Finalist:** Leadership: Premier’s Award for Excellence 2005
- **Finalist:** StateWest Achievement Awards 2005
- **Winner:** Community Communication: Public Relations Institute of Australia (WA) Award for Excellence 2005
- **Finalist:** Working Creatively to Make a Difference: Community Services Industry Awards 2005 (in collaboration with Bussed Ed)
- **Winner:** Master Builders Excellence in Construction Award.

The Department also partnered with Swan TAFE to provide basic life and employability skills courses for selected community-based adult offenders, which was awarded:

- **Winner:** Australian Adult Education Program of the Year 2005.

As the Department of Justice, Corrective Services’ collaborative approach to volunteering was also recognised as:

- **Winner: Governance:** Premier’s Award for Excellence 2005.

The Executive Team

Ian Johnson – Commissioner

Ian Johnson has a long and varied career in the justice system. Before joining the Department in April 2005, he worked for the WA Police for 29 years and reached the rank of Assistant Commissioner.

Mr Johnson is focused on the safety and security of those who work in the prisons and the community, and those in the care of the Department. He is committed to increasing public awareness and understanding of the corrections system, and the rehabilitation of offenders to enable them to return to the community.

Mr Johnson is a graduate of the FBI National Academy (1995), the Police Executive Leadership Program (2002) and holds a Graduate Diploma in Business (Management).



Jackie Tang – A/Deputy Commissioner Community and Juvenile Justice

Jackie Tang started working for the former Department of Justice more than 20 years ago and since that time she has worked across the Department in such positions as Assistant Director Sentence Management, Director Operational Services and General Manager Community Justice Services.

Ms Tang is focused on promoting the value of credible alternatives to imprisonment and detention, through prevention and diversion as well as the effective management of offenders within the community. She encourages ongoing research and evaluation and sees this as the basis of innovation and continuous business improvement.

Ms Tang holds a Bachelor of Social Work.



Michael Johnson – A/Deputy Commissioner Offender Management and Professional Development

Michael Johnson has taken up the challenge of establishing the new Offender Management and Professional Development division.

With more than 35 years experience in the WA justice system, Mr Johnson is well-equipped to lead the division in consolidating best practice to deliver improved services to other areas of the Department.

Mr Johnson played influential roles in four State Royal Commissions, most recently as the Executive Director for the Royal Commission into WA Police.



Andrew Beck – A/Deputy Commissioner Adult Custodial Services

Andrew Beck served Her Majesty's Prison Service in the UK for 16 years before moving to Australia in August 2004, to take up the position of Superintendent Hakea Prison.

Mr Beck has valuable experience in managing prisoners and staff, enabling him to understand the limitations and potential of custodial services. He is committed to developing a first class custodial service that will help reduce re-offending rates and continue to improve community safety.

Mr Beck has a Masters Degree in Criminal Justice Policy and Practice, a post graduate Diploma in Management, and he is a chartered human resources practitioner.



Ian Giles – A/Assistant Commissioner Professional Standards, Integrity and Compliance

Ian Giles joined the Department after 25 years with the WA Police. During this period he gained a broad range of experience within many areas, including frontline operations, project management, policy development and management training.

His principal role is to embed professionalism at all levels and functions throughout the Department. Mr Giles believes that professionalism is not only about doing the right thing, but also about being seen to be doing the right thing.

Mr Giles holds a Bachelor of Business (Accountancy).

**Brian Yearwood – A/Assistant Commissioner Corporate Support**

Mr Yearwood is responsible for translating the strategic direction of corporate support and reform into plans, actions and performance measures to ensure the delivery of sustainable business improvements.

Mr Yearwood has worked for the public service for more than 25 years, several of which were with the former Department of Justice. His experience in strategic procurement, business excellence, finance management and surveying, support and enhance his current role.

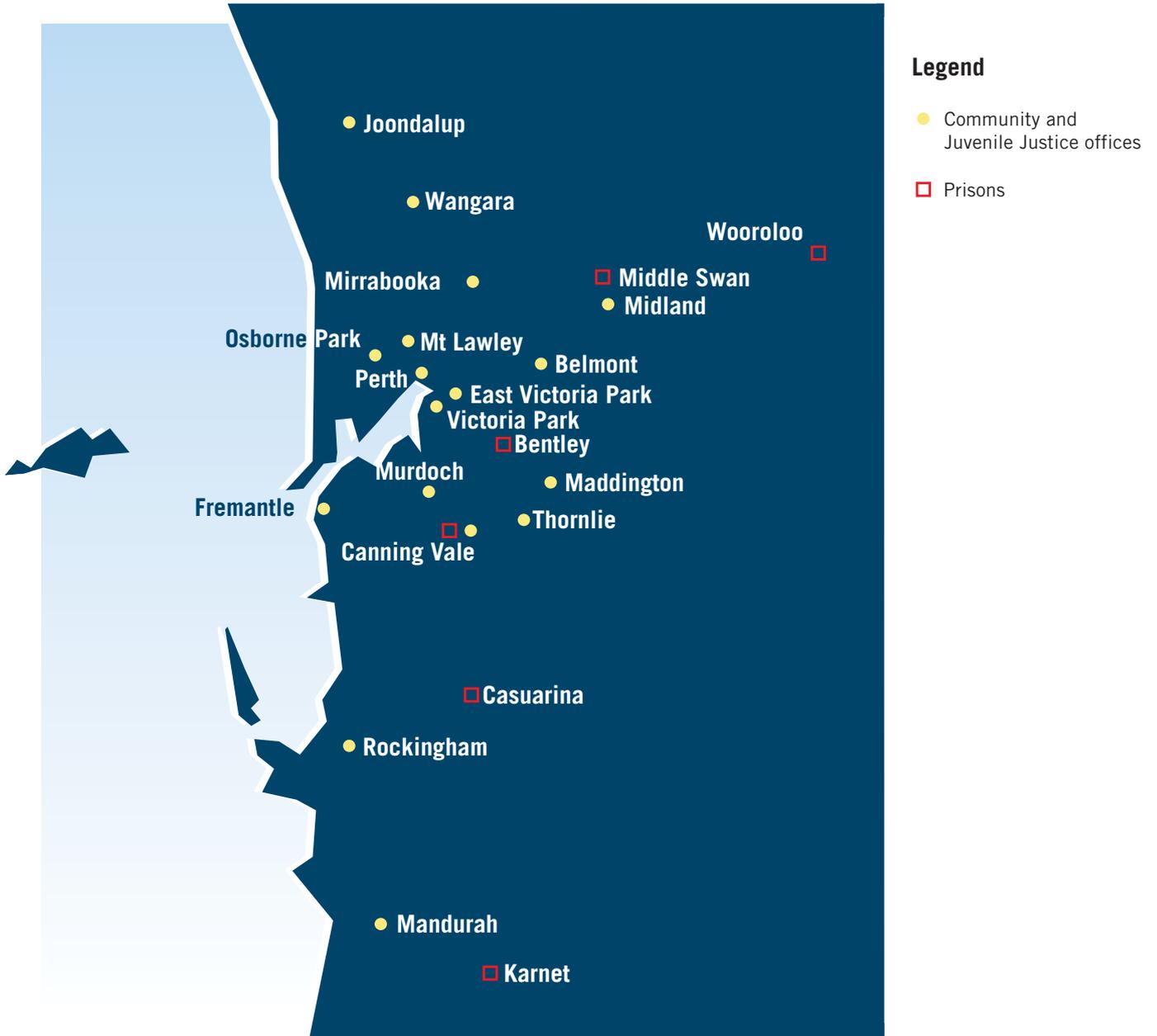
Mr Yearwood has a Graduate Diploma (Strategic Procurement), a Diploma of Management and a Diploma of Surveying.



Operating locations

The Department of Corrective Services operates at more than 22 metropolitan locations and 27 regional areas.

Metropolitan locations



Regional locations



THE YEAR IN BRIEF

Mahoney Reform Program

The Department of Corrective Services is committed to reform outlined by the Mahoney Inquiry into the Management of Offenders in Custody and in the Community, which concluded in December 2005. The Department was created as a direct result of the Mahoney Inquiry, which recommended the former Department of Justice separate into two new agencies. Other key recommendations of the Inquiry related to the assessment and classification of offenders, and the processes and management of the Department's workforce.

Key achievements

- Created the Department of Corrective Services with a new structure, executive team and corporate governance.
- Created two new Divisions: the Offender Management and Professional Development Division and the Professional Standards, Integrity and Compliance Division.
- Implemented a rigorous prioritisation process for all recommendations of the Mahoney Inquiry to reflect the degree of impact each recommendation would have on community safety, service delivery and staff safety and well-being.
- Broadened and improved the Department's security and intelligence.
- Improved safety and security for staff in prisons and Community Justice Services.
- Employed additional community corrections officers and juvenile justice officers to cater for increased demand and improve case management of community-based offenders.
- Commenced the Reform Program – *Building the Foundation* implementing a range of reform and business improvement strategies.
- Delivered core induction training to newly recruited community corrections and juvenile justice officers before they took up field placements.
- Took the first steps to create a new *Corrective Services Act* with the introduction of the *Prisons and Sentencing Legislation Amendment Bill 2006* to Parliament in April 2006.

Future directions

- Conduct a comprehensive occupational health and safety review across all Community Justice Service locations.
- Implement new arrangements for the management of higher-risk offenders by more experienced officers.
- Improve staff skills and resources in Community Justice Service offices by implementing a workforce planning model that considers demand and workload benchmarks.

- Finalise major legislative reforms in response to the Mahoney Inquiry's key findings.
- Improve the placement and management of prisoners through a comprehensive review of tools for classifying and placing prisoners.
- Establish qualified assessment and case management teams in prisons and evaluate the effectiveness of prisoner programs.
- Coordinate the reinvigoration of case management and sentence management for offenders across prisons and in the community.
- Establish an integrated programs management unit to coordinate and deliver programs for offenders in prisons and community settings.
- Improve intelligence monitoring and response capability through the formation of a specialist Statewide security directorate.
- Progress the establishment of the new Department, including appointing of senior executives and managers, and manage the transition of key services to develop efficient and effective organisational structures.

Adult Custodial

Adult Custodial manages the State's 12 maximum, medium and minimum security prisons and seven work camps, and oversees the operation of the one privately operated facility, Acacia Prison.

Key achievements

- Managed more than 3500 prisoners in the State's prisons and work camps.
- Improved the safety and security of staff.
- Improved security in the prison system.
- Developed a comprehensive induction program for staff, contractors, service providers and volunteers.
- Implemented a sophisticated intelligence system to improve the quality and sharing of intelligence data.
- Tightened computer security to protect the privacy of staff, victims and the community.
- Achieved recognition and awards for Boronia Pre-release Centre for Women.
- Opened a seventh work camp at Mt Morgans in the Goldfields.
- Recruited and trained 163 prison officers over 12 months.

Future directions

- Continue to upgrade prison security, improve the management and dissemination of intelligence information and improve security management processes in prisons.
- Improve assessment and case management processes by providing additional prison-based staff to manage and coordinate these processes.
- Implement the staffing review with priority to improving staff safety and security and delivering constructive activities to prisoners.
- Implement an occupational safety and health governance framework and develop supporting process and systems.
- Recruit and train at least 160 prison officers and provide staff with increased opportunities in operational training and professional development.
- Continue planning to replace the Broome and Eastern Goldfields regional prisons.
- Provide regimes to address offenders' needs and reduce re-offending.
- Provide sufficient prisoner places to meet the growing demand.
- Provide appropriate service for Aboriginal and female people in custody.
- Develop operational standards and compliance framework in conjunction with the Professional Standards, Integrity and Compliance Division.

Community and Juvenile Justice

The Community and Juvenile Justice division contributes to a safe and orderly community by reducing offending, protecting the community and encouraging offenders toward law-abiding lifestyles. It is responsible for managing and providing community-based justice services in WA, as well as juvenile custodial services.

Key achievements

- Implemented a workforce analysis model to identify appropriate staff levels commensurate with workloads.
- Managed 12,268 distinct adults with orders current in 2005/2006 (excluding throughcare orders) and 1705 distinct juvenile orders current in 2005/2006 (excluding Juvenile Justice Team referrals).
- Received 1499 unsentenced admissions to the Rangeview Remand Centre for juveniles.
- Managed 222 sentenced juveniles in the Banksia Hill Detention Centre.
- Managed 442 juveniles on the supervised bail program in regional areas.
- Started planning and consultation for two regional juvenile remand centres in the Kalgoorlie and Geraldton.

Future directions

- Improve staff resources in Community Justice Services offices by implementing a workforce planning model which considers demand and workload benchmarks.
- Introduce permanent relief officers to address workload pressures and ensure all community corrections officers and juvenile justice officers complete training before commencing field work.
- Continue planning to upgrade accommodation for women and young girls at Rangeview Remand Centre, together with additional program facilities at Banksia Hill Detention Centre.
- Comprehensive review of safety and security within Community Justice Services.
- Improve regional training and mandatory operational training.

Offender Management and Professional Development

Offender Management and Professional Development incorporates offender services, education and vocational training, program delivery and health services, as well as providing training and professional development opportunities for all staff in the Department of Corrective Services.

Key achievements

- Established a new divisional structure and key staff positions.
- Provided training programs for new community corrections officers and juvenile justice officers before they commence in the field.
- Provided a range of enhanced leadership and senior officer training.
- Developed workshops for prisoners to help make them more employable and encourage them to participate in training before release.
- Established a partnership to provide prisoners with skills training in residential bricklaying and roof tiling to make them more employable on release.

Future directions

- Continue to implement the reform program emanating from the Mahoney Inquiry.
- Review, develop and implement a new offender classification system for prisoners.
- Promote case management within prisons.
- Review offender programs and provide additional staff to work jointly at the Edith Cowan University Research Centre.
- Establish an integrated sentence management unit and programs management unit.
- Provide additional resources for induction training of community corrections and juvenile justice officers.

- Place skilled training officers into prisons to enable on-site delivery of Department, divisional and prison-based training priorities to develop a better trained workforce.
- Share regional training delivery with other Government agencies and providers to ensure staff in the regions are provided with improved training and development.
- Develop improved leadership and management training programs.

Corporate Support

Corporate Support provides asset management, contracted services, financial management, human resources and information services. Some interim services are provided by the Department of the Attorney General during a transitional period, following the separation of the Department of Justice in February 2006.

Key achievements

- Progressed with contracting to fence Wooroloo and Karnet prison farms to strengthen security.
- Undertook planning to significantly improve custodial services for offenders in the Kimberley and Goldfields regions.
- Negotiated a five-year contract with Serco Australia to privately manage Acacia Prison, Western Australia's only privately-run prison.
- Worked with non-government agencies to provide ongoing support to 913 prisoners to help them successfully re-enter the community from custody.
- Implemented the Community Based Information System (CBIS).
- Established a safety and security program of works and commenced implementation of safety and security enhancements across the Adult Custodial Division.

Future directions

- Begin major works at Bandyup Women's Prison to construct 40 extra self-care beds and a new entry building.
- Manage the construction of a new minimum-security unit at Bunbury Regional Prison.
- Refurbish and extend self-care units, education and programs facilities, prisoner's reception and a health building at Wooroloo Prison Farm.
- Upgrade physical security and undertake urgent structural repairs at Eastern Goldfields Regional Prison.
- Complete planning and consultation for the Goldfields Custodial Plan.
- Implement a workforce planning project.

- Improve the management of occupational safety and health.
- Plan for future provision of Court Security and Custodial Services after the expiry of the existing contract in July 2008.
- Implement improvements to custodial systems.
- Implement support systems for contracted services.
- Implement a program of works to address security and condition priorities at the existing Broome Regional Prison.
- Continue to implement the safety and security program.

Professional Standards, Integrity & Compliance

The Professional Standards, Integrity and Compliance division is responsible for assisting the Department embed the highest levels of professionalism at all levels of practice, behaviour and service delivery by providing a range of services including corruption prevention, internal witness support, compliance testing, complaints administration, investigations and governance.

Key achievements

- Established an Assistant Commissioner position and completed design of the division's structure, by aligning existing professional standards functions and creating additional capacities in broader professional standards disciplines.
- Managed 342 cases through the Internal Investigations Unit. Twenty-four allegations of misconduct were substantiated.
- Reviewed the practices of all Community Justice Services offices, including the case management of more than 1100 offenders and monitored the progress of more than 300 recommendations.
- Provided independent, objective and informed reports to the State Coroner about the deaths of offenders, including seven inquests.
- Coordinated 358 prisoner grievances.
- Undertook a range of educational and advisory activities to enhance the effectiveness of the prisoner grievance processes.
- Converted rules and procedures into a simplified electronic format and commenced State-wide rollout.

Future directions

- Complete the recruiting process for key professional standards positions.
- Establish a professional complaints administration function in keeping with the Australian Standards.
- Establish a comprehensive standards and associated compliance testing framework for public prisons operations and enhance the reviewal practices for community justice functions.
- Improve the investigative capacity for misconduct complaints.
- Establish professional internal witness support frameworks together with agency-wide corruption prevention strategies.
- Improve the prisoner grievance process.
- Boost the Department's reform capacities through improved coordination frameworks.
- Improve capacities by improving working relations with key stakeholders including the Corruption and Crime Commission, Ombudsman, WA Police and Office of the Inspector of Custodial Services.
- Enhance the Department's anti-bullying policies and practices.

Financial highlights

The Department receives its primary source of funding, to meet service costs, via Parliamentary appropriation. In 2005/2006, \$160 million was provided from Parliamentary appropriation towards total activity costs that amounted to \$199 million. Appropriation sources also contributed \$15 million towards asset purchases of \$24 million in the Department's capital works program.

The cost of services in 2005/2006 cannot be related to 2004/2005 expenditure as the Department of Corrective Services only commenced operations on 1 February 2006.

Major spending on capital works in 2005/2006 included:

- prison perimeter fencing (\$7 million)
- prison infrastructure and replacement (\$9 million)
- Bandyup facilities upgrade (\$1 million)
- Community Based Information System (\$3 million).

TABLE 1

Summary of funding and expenditure

Sources of funding	2005/2006
Government appropriation	160
Other Government revenues	10
Other revenue	6
Total (millions \$)	176
Activity costs	
Adult criminal justice services	177
Juvenile criminal justice services	22
Total (millions \$)	199
Expenditure	
Employees	93
Supplies and services	61
Other expenses	21
Capital user charge	14
Grant subsidies	2
Depreciation	6
Accommodation	2
Total (millions \$)	199

CORPORATE GOVERNANCE

Compliance reports

Enabling legislation

The Department of Justice was approved for administrative separation into the Department of the Attorney General and the Department of Corrective Services by Executive Council on 5 January 2006, with effect from 1 February 2006.

Compliance with legislation

The Department of Corrective Services administers a range of legislation. A list of legislation is included in Appendix I.

Compliance with public sector standards

The Department completed a review of the *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005* which came into effect in September 2005. As a result of the review, the Department:

- revised recruitment letters to incorporate prescribed timeframes and provide applicants' information outlining how to claim a breach of standard
- implemented an internal conciliation process to allow the Department and applicants to attempt internal resolution of a claim
- implemented new templates, provided by the Office of Public Sector Standards Commissioner, including breach of standard claim forms, withdrawal forms and letters
- updated checklists and reporting documentation to reflect the new regulations.

Extent of compliance with public sector standards

Recruitment, selection and appointment standard

In 2005/2006, the Department of Corrective Services advertised 300 permanent and fixed-term vacancies of more than six months, including 13 appointment pools, which complied with the recruitment, selection and appointment standard. Of 36 claims handled, four were withdrawn and 31 were referred to the Office of Public Sector Standards Commission. One claim was upheld. In this case, the applicant was reassessed, deemed suitable and recommended for inclusion in an appointment pool.

Other standards

The Department received one claim against the grievance resolution standard. The claim was referred to the Office of the Public Sector Standards Commissioner and was still pending at 30 June 2006.

Summary of breach of standards claims

Summary of breach of standard claims for the Department of Corrective Services:

TABLE 2

(a) Total claims (includes all claims lodged resolved internally or referred to the Office of the Public Sector Standards Commissioner)			
	Recruitment, selection & appt	Grievance resolution	All
Claims lodged 2005/2006	29	1	30
Claims carried over from previous financial year	7	0	7
Total claims handled in 2005/2006	36	1	37
(b) Outcome of claims handled			
Withdrawn in agency	4	0	4
Resolved in agency	0	0	0
Still pending in agency	1	0	1
Referred to OPSSC	31	1	32
– Agreement reached OPSSC	2	0	2
– Dismissed at OPSSC	17	0	17
– Upheld at OPSSC	1	0	1
– Still pending at OPSSC	11	1	12
Total claims handled in 2005/2006	36	1	37

Compliance with public sector code of ethics

The public sector code of ethics continued to be made available to all staff in 2005/2006 through various mediums including, but not limited to, the intranet, noticeboards and reference in relevant policies and procedures.

Compliance with public sector code of conduct

The Department's code of conduct continued to be made available to all staff through its intranet. The website provides a range of information, resources and examples of acceptable behaviour standards in the workplace.



Ian Johnson

Commissioner
Department of Corrective Services
18 September 2006

Advertising and marketing expenditure

Recruitment advertising and advertising for tenders accounted for most of the Department's advertising expenditure from 1 February 2006. Advertising and marketing expenditure relating to offender management of the former Department of Justice appears in the Department of Attorney General Annual Report 2005/2006.

TABLE 3

Advertising agencies	Amount (\$)
Nil	0
Media advertising organisations	
Albany Advertiser	270.00
Broome Advertiser	126.40
Marketforce Productions	58,411.72
State Law Publisher	2088.31
Rural Press Regional Media	114.70
West Australian Newspapers Ltd	334.20
Market research organisations	
Nil	0
Polling organisations	
Nil	0
Direct mail organisations	
Nil	0
Total	61,345.33

An open and transparent department

The Department of Corrective Services is committed to open and transparent policies and management practices. The Department is subject to high levels of scrutiny and oversight from external agencies such as the Office of the Inspector of Custodial Services, Ombudsman and Corruption and Crime Commission, as well as a range of internal controls to ensure compliance with Government legislation and standards and the management of risk.

Inspector of Custodial Services

The Office of the Inspector of Custodial Services (OICS) provides independent external scrutiny to the standards and operations of custodial services in WA. The office is within the portfolio of the Minister for Corrective Services, and answers directly to Parliament. It publishes public reports on its inspections and includes recommendations for reform.

During 2005/2006, OICS conducted inspections of:

- Banksia Hill Detention Centre
- Acacia Prison
- Bunbury Regional Prison
- Albany Regional Prison
- Wooroloo Prison Farm
- Boronia Pre-release Centre for Women.

The office also started a review of prisoner transport and continued its review into the Department's health services.

Reports tabled in Parliament by the Inspector in 2005/2006 included the inspections of:

- Casuarina Prison
- Acacia Prison
- Rangeview Juvenile Remand Centre
- Metropolitan Court Security and Custody Services
- Directed review of the management of offenders in custody, as part of the Mahoney Inquiry.

Under a dedicated and improved governance framework, the Department responds to and initiates reforms associated with the various report recommendations.

Mahoney Inquiry



The Inquiry into the Management of Offenders in Custody and the Community was established by the Premier in 2004/2005, under section 11 of the *Public Sector Management Act 1994*. The Inquiry continued to examine the performance of the Department of Justice's management of offenders in 2005/2006 and tabled its final report in Parliament on 23 November 2005.

The Department of Justice continued to give its full support to the proceedings in 2005/2006. Up to ten staff were dedicated to responding to almost 500 requests for information during the course of the Inquiry. Following the tabling of the report, a comprehensive strategy was developed to ensure a swift but coordinated implementation to address Government's priorities.

(For more information see Report on Operations)

Ombudsman's office

During 2005/2006, the Ombudsman received 367 allegations relating to offender management. Some 355 related to prisons and 12 to prison transport and court security provided by Australian Integration Management Services (AIMS).

The 355 prison allegations related to:

■ AIMS – Acacia Prison	50
■ Department of Justice (part year)	134
■ Department of Corrective Services (part year)	171

The total number of allegations decreased from the previous year, when 519 allegations about offender management were received, of which 494 related to prisons.

Professional Standards, Integrity and Compliance

The establishment of the Professional Standards, Integrity and Compliance Division was a key recommendation of the Mahoney Inquiry. The Division enhances and embeds the highest levels of professionalism within the organisation at all levels of behaviour, practice and service delivery. To achieve this, the Division focuses on:

- corporate risk management
- corporate corruption prevention
- proactive compliance testing
- quality assurance
- complaint investigation and assessment
- standards development and a framework incorporating compliance and reporting
- professional response to reform emanating from key external stakeholders (including, but not limited to, the Inspector of Custodial Services, Ombudsman and Coroner)

In 2006/2007, it will establish the foundations for reform in each of these disciplines with the view to realising benefits in the future.

Professional Practice Standards

The Professional Practice Standards Unit (PPSU) performs compliance and quality assurance assessment of Community Justice Services (CJS). In 2005/2006, the PPSU assessed the operations of all 29 CJS offices, and completed a comprehensive review of the case management practices of offenders under community based supervision. Key areas of reform from these activities included:

- improved risk assessment and risk management of offenders
- greater operational governance and accountability
- improved ability to monitor performance, identify trends and issues and record and report against the achievements of outcomes

- improved consistency of offender-management practice and accountability
- continuous business improvement promotion and increased transparency, with a focus on evaluation and outcomes.

The PPSU was incorporated into the Professional Standards, Integrity and Compliance Division to enhance the Department's governance framework.

Internal Investigations Unit

The Internal Investigations Unit (IIU) is a key component of the Department's professional standards framework. The IIU conducts investigations into a broad range of matters including suspected serious misconduct and critical incidents in the Department. It works in consultation with the Corruption and Crime Commission, WA Police, Ombudsman, Coroner and the Office of the Inspector of Custodial Services.

During 2005/2006, the IIU managed 342 cases.
(See Report on Operations for more information)

Internal auditing

Comprehensive reviews by the Department's Internal Audit branch helped maintain effective corporate governance in 2005/2006. The reviews helped improve business practices within the organisation, including management accountability, risk management, compliance management and effectiveness of internal controls.

The Department of the Attorney General provided Internal Audit services to the Department of Corrective Service following the creation of the new departments in February 2006. (See the Department of the Attorney General Annual Report 2005/2006 for more information).

Prisoner grievance process

The Department's prisoner grievance resolution framework responded to 358 complaints in 2005/2006. The management of the framework was incorporated in the Professional Standards, Integrity and Compliance Division in 2006 and will form a key part of complaints administration next year.

In light of a comprehensive review by the Ombudsman (*Own Motion Investigation into the Department of Corrective Services' Prisoner Grievance Process*), the grievance process will progress a range of reforms in 2006/2007. The function's coordination will be incorporated in a dedicated complaints administration area, while working relations with key stakeholders and performance indicators will be improved. Benchmarking against other corrective services jurisdictions will also be undertaken.

Public interest disclosure

Five complaints under the *Public Interest Disclosure Act 2003* were received by the Department of Corrective Services in 2005/2006. None met the legislative requirements under the Act, and the complainants were advised of the most appropriate course of action open to them.

Compliance management



The Department upgraded its online compliance system, *JustComply*, in June 2006 to make it user-friendly. *JustComply* sends email-based questionnaires to legislative compliance staff. The responses are audited quarterly and used to manage annual reporting requirements and executive performance agreements.

In 2006/2007, the Public Interest Disclosure Officer will increase awareness throughout the Department through a range of proactive marketing efforts across the State. To meet privacy requirements, a dedicated phone number was also established. This number is 9225 8999.

Information management

Information statement

The *Freedom of Information Act 1992* required the Department to publish an information statement. The Department's information statement was published in its 2006 handbook, which is available online at www.correctiveservices.wa.gov.au.

Freedom of information

The Department received 270 applications from 1 February 2006 to 30 June 2006, including 32 open applications transferred from the Department of Justice (DoJ). During this period, 243 applications were finalised.

Of 11 internal reviews completed, seven original decisions were confirmed, two were varied, one withdrawn and one was overturned. Three external reviews were finalised by the Information Commissioner during the period. All were withdrawn by the complainant following conciliation. Three external reviews were pending at 30 June 2006.

TABLE 4

FOI applications	
Personal information requests	250
Non-personal information requests	9
Amendment of personal information	0
Applications transferred in full	12 [^]
Total applications received	270
	(incl 32 from DOJ)
Applications completed	243
Applications withdrawn	10
Internal reviews completed	10
External reviews completed	3
Applications outstanding	21

* 2004/2005 comparative data is not available as this was the first year of operation. For information about the former Department of Justice see the 2004/2005 DoJ Annual Report at www.correctiveservices.wa.gov.au.

[^] One transferred application was received before the creation of the Department, so does not appear in the total applications received by the Department.

Recordkeeping plan

The Department is committed to recordkeeping by dedicating a project team to implement requirements of the *State Records Keeping Act 2000*.

State Records Commission minimum compliance requirement:

Requirement 1 – *The efficiency and effectiveness of the organisation's recordkeeping systems is evaluated not less than once every five years.*

The record-keeping system was evaluated as part of the compilation of the recordkeeping plan for the new Department. The plan will be submitted in early 2006/2007.

Requirement 2 – *The organisation conducts a record-keeping training program.*

An online records training and awareness package has been developed and piloted. The package will be implemented across all areas of the department during 2006/2007. A total of 29 staff received records management system training in 2005/2006.

Requirement 3 – *The efficiency and effectiveness of the recordkeeping training program is reviewed from time to time.*

Assessment of the training is received from staff who undertake the online records training and awareness package and records management system training. Training content will be reviewed periodically to ensure that it reflects current operational and administrative practices and processes.

Requirement 4 – *The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's recordkeeping plan.*

An online records training and awareness package will become mandatory for all new staff in 2006/2007. It addresses employee roles and responsibilities in regard to their compliance with the Recordkeeping Plan.

An integrated approach

The Department is committed to strengthening the collaboration between Government and non-government agencies and the community, to deliver relevant and quality services. The following activities were undertaken in 2005/2006:

Working in collaboration with the community

Community consultation is an important part of developing corrective services to Western Australia. Community consultation and advisory groups provide valuable input to Department projects. Advisory groups are generally made up of local residents, local business people and representatives from agencies that bring a cross-section of community views to a project.

Information sharing



The Common Party Layer project, undertaken in 2005/2006, is the name given to a joint initiative between the Department of the Attorney General and the Department of Corrective Services. It helps identify people across the various systems of the two departments. It provides increased accuracy of identification and tracking of a person through the justice system. It will assist with resolution of duplicate records and ensure data more accurately reflects the status and history of people in the criminal justice system. It is scheduled to be implemented over several years from 2006/2007.

Regional juvenile remand centres

In late 2005, community reference groups (CRGs) were established to provide community input into the possible development of juvenile remand centres in Kalgoorlie and Geraldton. Each 14-member group comprised a local member of Parliament and local community members, non-government organisations and Aboriginal representatives.

As well as monthly CRG meetings, information briefings were held with local stakeholders, local authorities, the judiciary, justices of the peace and Aboriginal community members.

Community input was also sought regarding three possible land sites for the Geraldton facility centre in June 2006. A series of briefings to outlying Aboriginal communities and towns within the Gascoyne/Mid-West was also delivered.

Boronia Pre-release Centre for Women

Boronia Pre-release Centre for Women has an integrated volunteer program and fosters community contact, which is essential for successful reintegration of women prisoners into society.

Prisoners provided more than 3500 hours of community work in 2005/2006 – worth nearly \$52,000 – for local organisations such as the RSPCA, Foodbank and a women's refuge.

The community was engaged through a local advisory group, which continued to meet monthly to provide community feedback and involvement.

In 2005/2006, Boronia provided regular entertainment evenings for residents of neighbouring SwanCare retirement village and, in November 2005, held an inaugural gala day for staff, volunteers, partner organisations and neighbours. Almost \$5300 was raised and donated to Princess Margaret Hospital through the sale of craft items made by prisoners from around the State.

In return, about 25 community members were registered as volunteers and provided 12 different programs to prisoners such as job preparation skills.

Community projects

The Department encourages minimum security prisoners to participate in charitable and voluntary work, under section 94 of the *Prisons Act 1981*. This work, within Adult Custodial Services, was estimated to be worth about \$1.8 million in 2005/2006 to the WA community.

In partnership with CALM, community groups, local government and TAFE, prisoners from minimum security prisons undertook a variety of different projects for regional communities across the State.

(See Report on Operations for more information)

Bricklaying school

A partnership was developed with the Silver Trowel Bricklaying School to give prisoners traineeships and skills training in residential bricklaying and roof tiling. The

short courses allow prisoners close to release to participate so they are prepared for employment after they are released. Silver Trowel has strong employer links in the residential housing market and provides released prisoners with direct access for placement in employment with sub-contractors.

A survey undertaken in August 2005, of prisoners who completed traineeships in 2004/2005, and who had been released on parole, showed 71% were employed in the community, with a further 80% of this group employed in their area of specialisation.

Working in collaboration with Government

Close working relationships with State agencies continued to be fostered through various programs, committees and community networks.

Partnering charter with WA Police

In 2006, a partnering charter was signed with the WA Police, which recognises the separate but linked role each plays in the criminal justice system. Through intelligence sharing, effective working relationships, linked information systems and sharing reform experiences, both agencies expect to improve service outcomes to the Western Australian community. In 2006/2007, executive teams from both agencies will work together and meet as a joint executive throughout the year to devise and implement strategies.

Corrective Services Ministers' Conference

The Department supported the work of the Corrective Services Administrators Conference and the Corrective Services Ministers Conference. Meeting annually, the conferences provide a forum to deal with matters of national and international significance for corrections. Key issues in 2005/2006 included offenders with mental health problems, the treatment and management of sex offenders, the increasing number of prisoners, offenders with disabilities and the transfer of prisoners and parolees.

National standards for juveniles

The Department chaired a sub-committee of members of the Australasian Juvenile Justice Administrators committee in 2005/2006. The group started drafting a set of community standards relating to juvenile justice, which are due to be completed in 2006/2007.

Reducing repeat offending

The Department continued to work with the departments of Housing and Works Education and Training, Health, Centrelink and the Drug and Alcohol Office on programs to reduce re-offending by focusing on mental and physical health, drug and alcohol use, education and skills and accommodation issues.

The Department signed a memorandum of understanding with the Drug and Alcohol Office in May 2006, to provide \$50,000 funding for the Prison to Parole Program. Under the program, five community groups link prisoners who have drug use issues to drug treatment services before and after their release from prison.

Education partnership



Community Justice Services partnered with Swan TAFE to provide a basic life and employability skills courses. Funded through the Department of Education's *Australians Working Together* initiative, the courses provide selected community based adult offenders with an opportunity to acquire basic computer, handyman, budgeting and food preparation skills.

The course was awarded the Australian Adult Education Program of the Year in 2005.

Prisons National Standards Working Group  

The Department chaired the National Accreditation for Offence Related Programs Working Group, which included representatives from all Australian states and territories. The group, which aims to promote consistency across correctional programs, met four times in 2005/2006 to refine and pilot national standards. Before finalising the standards that are to be adopted by all states and territories in 2006/2007, the group will assess one more Australian program next year.

Intellectual disability program  

The intellectual disability diversion program continued to be managed by the Department of Corrective Services in partnership with the Disability Services Commission and the Department of the Attorney General, through the Magistrates Court. Through early intervention, the program diverts people with an intellectual disability away from the justice system by linking them with relevant services.

OUR PEOPLE

The Department offers a wide range of interesting and challenging employment opportunities for people of all levels of skill and experience. At 30 June 2006, the Department employed some 3381 people.

The Department of the Attorney General provides some corporate services to the Department of Corrective Services during a transitional period for both departments. Information about those staff, and staff of the former Department of Justice appear in the Department of the Attorney General Annual Report 2005/2006.

Employee profile

The majority of staff in the Department in 2005/2006 were employed as public service employees or prison officers.

Managing offenders is a complex and difficult job. Key to success is having sufficient staff who understand their role and are well trained, and the Department will place a significant emphasis on improving training and development in future years. The Department's workforce is somewhat unique when compared to other Government sectors as it employs a diverse range of professions under various awards and conditions.

This year, some 163 new prison officers were trained and employed to work in the State's prisons. About 70 officers left the service in the same period. Additional community corrections officers were also funded and employed to cater for increased demand and improve case management of community based offenders.

Employee profile of the Department of Corrective Services (head count) at 30 June 2006

TABLE 5

Employees by award/ occupational grouping	2004/2005					2005/2006				
	Nos			%		Nos			%	
	F	M	TOTAL	F	M	F	M	TOTAL	F	M
Government school teachers	13	7	20	65%	35%	69	35	104	66%	34%
Group workers	57	121	178	32%	68%	54	130	184	29%	71%
Hospital workers	9	3	12	75%	25%	10	1	11	91%	9%
Medical officers	2	3	5	40%	60%	6	5	11	55%	45%
Nurses	98	16	114	86%	14%	110	20	130	85%	15%
Prison officers	254	1157	1411	18%	82%	275	1195	1470	19%	81%
Public service employees	869	499	1368	64%	36%	947	524	1471	64%	36%
Total	1302	1806	3108	42%	58%	1471	1910	3381	44%	56%

Senior employees

Since 2004/2005, there has been an increase in the number of senior positions at levels 7 and 8. This follows the creation of the Department of Corrective Services and the development of new organisational structures, including the new Commissioner's Office and the Professional Standards, Integrity and Compliance Division. Other senior positions were developed as temporary positions to establish the new Department or to implement specific Mahoney Inquiry recommendations.

Senior employees (Level 7 and above – head count) Department of Corrective Services at 30 June 2006

TABLE 6

Classification	2004/2005					2005/2006				
	Nos			%		Nos			%	
	F	M	TOTAL	F	M	F	M	TOTAL	F	M
Group 3	0	0	0	0%	0%	0	1	1	0%	100%
Group 1	0	0	0	0%	0%	1	2	3	33%	67%
Class 3	1	1	2	50%	50%	0	0	0	0%	0%
Class 2	0	0	0	0%	0%	0	0	0	0%	0%
Class 1	0	2	2	0%	100%	0	2	2	0%	100%
Level 9	5	6	11	45%	55%	3	8	11	27%	73%
Level 8	12	31	43	28%	72%	14	36	50	28%	72%
Level 7	31	53	84	37%	63%	35	60	95	37%	63%
TOTAL	49	93	142	35%	65%	53	109	162	33%	67%

Appointment pools

The following table reflects appointment pools conducted during the year. Appointment pools offer the opportunity to combine positions for advertising, saving on advertising costs and increasing applicant numbers, and provide a ready source of suitable applicants for positions, as they arise in subsequent months.

An appointment pool of permanent community corrections and juvenile justice Officer officers was advertised in January 2006. Some 221 applications were received with 100 applicants being assessed as suitable for permanent employment.

Appointment pools for the Department of Corrective Services advertised between 1 July 2005 to 30 June 2006

TABLE 7

Division and position	Level	Date advertised	Total number of suitable applicants
Community & Juvenile Justice			
• Senior programs officer	5	Sept 2005	13
• Clerical officer	1	Sept 2005	6
• Senior juvenile justice officer	5	Sept 2005	22
• Senior community correction officer	5	Sept 2005	48
• Senior community correction officer	5	Sept 2005	16
• Community corrections officer	3/4B	Sept 2005	138
• Community work officer	2	Nov 2005	24
• Community corrections officer/juvenile justice officer	3/4B	Jan 2006	100
Adult Custodial (Prisons)			
• Prison support officer	4	July 2005	11
• Prison counsellor	5	July 2005	23
• Clinical nurse	2	Sept 2005	6
• Prison officer shift	POSH	Nov 2005	61
• Prison medical officer	17	Nov 2005	2
• Prison officer	POSH	Dec 2005	148

Volunteers

Dedicated volunteers again gave their time and energy to provide services to the Department during the year. The commitment of volunteers is to be commended, as they are a valuable link with the community and play a vital role to re-integrate offenders into the community.

At Boronia Pre-release Centre for Women, 25 active volunteers provided support to prisoners, including organising recreational programs, providing tutoring, running parenting skills workshops and linking prisoners with employment providers.

In Community Justice Services, 20 volunteers acted as mentors and worked with offenders undertaking community work for the Community Work Support Unit (CWSU). The CWSU also acted as a recruitment and referral point for volunteers working in other areas, for example assisting with case management for CJS branches in the Perth.

Graduates

Twelve graduates from two intakes participated in the two-year graduate program this year. The program involves six-monthly rotations through various business areas within the Department, and provides extensive training and professional development opportunities to participants. The Graduate Development Program operated across the Department of Corrective Services and the Department of the Attorney General.

In 2005/2006, significant work was undertaken to improve volunteer services and management. Achievements included:

- developing a volunteer report to provide an overview of volunteers in the Department during on a six-monthly basis
- improving governance frameworks and resolving volunteering issues from the volunteers standing committee and volunteers coordinators network
- training for volunteers to maximise their contribution to each business area's objectives.

Awards and agreements

Public servants

The *Public Service General Agreement 2004* (PSGA 2004), which applied to public service officers at the Department of Corrective Services, expired on 25 February 2006. The Department of Consumer and Employment Protection negotiated an in-principle agreement (the expected PSGA 2006) which was expected to be registered early in 2006/2007. Amendments will also be made to the *Public Service Award* as part of the new PSGA.

Group workers and Government officers

New general agreements for group workers and Government officers were being negotiated to replace the Department of Justice group workers *General Agreement 2004* and *Government Officers' Salaries Allowances and Conditions General Agreement 2004*.

Prison officers

The Department of Justice *Prison Officers' Enterprise Bargaining Agreement 2005*, was registered in the Western Australian Industrial Relations Commission on 25 August 2005. The agreement, which applies to prison officers employed by the Department of Corrective Services, provided annual pay increases of 3.8% and 3.6% over two years, plus additional salary increments, regional incentives and conditions available to other public sector workers. The agreement will remain until 10 June 2007. Negotiations for a new agreement will begin in late 2006.

Nurses

Nurses are employed under the Department of Corrective Services' *Registered Nurses Certified Agreement 2006* (certified on 8 March 2006). There was an administrative increase of 4.3% on 1 July 2005, prior to the certification of the agreement. A further 4.5% increased is scheduled for 1 July 2006.

Policies and guidelines

Commencement salary

A commencement salary policy was developed and implemented in 2005/2006 to provide a framework and principles for determining the commencement salary of officers in accordance with relevant legislation, awards, agreements and Government policy.

Equal opportunity and diversity

An equal opportunity policy and harassment policy, which complies with the *Equal Opportunity Act (WA) 1984* was developed and implemented this year.

Policies and processes associated with equity and diversity were reinvigorated. The main achievements included:

- finalising an Aboriginal employment strategy
- reviewing grievance policy and procedures
- revising workplace grievance management policy and procedures
- revising equal opportunity and diversity policy
- improving statistical reporting for staff from culturally and linguistically diverse backgrounds
- developing an ethical awareness special training package
- developing a workplace anti-bullying training package
- selecting and training new grievance officers in November and December 2005
- implementing a project to increase the number of female prison officers and senior prison officers.

Workplace grievance management

Policy and procedures to underpin the Department's commitment to maintaining an equitable and harmonious workplace were developed during the year. All employees have the opportunity to express and resolve work related grievances in a timely manner, and in accordance with the principles of natural justice.

Industrial issues

Industrial action

No industrial action was undertaken by Department employees in 2005/2006.

Unions

Department employees are covered by a range of unions including the Civil Service Association (CSA), Western Australian Prison Officers Union (WAPOU), Australian Liquor, Hospitality and Miscellaneous Workers Union and the Australian Nurses Federation.

The Department has formal joint consultative committees within each division that met regularly in 2005/2006. Various other consultative groups were undertaken at workplace levels.

The *Prison Officers' Enterprise Bargaining Agreement 2005* provided for the creation of Local Consultative Committees (LCCs) at each prison and a peak Prisons Consultative Committee (PCC) including the Commissioner, senior union representatives and Department staff. The LCCs and PCC were in place following the registration of the agreement in August 2005.

Employee welfare

Occupational safety and health

Occupational safety and health (OSH) is a priority for the Department. Some 45 audits and three six-monthly reviews were conducted at Departmental workplaces across the State, including community justice services offices, juvenile justice team work areas, prisons (including two work camps), juvenile detention centres and head office.

OSH education was critical in preventing workplace injuries and hazards. The Department conducted 39 employee awareness sessions in 2005/2006 on various topics, including changes to legislation, bullying in the workplace, supervisors' responsibilities and manual handling. In addition, managers and supervisors received specific training in managing OSH issues.

ShawMac was engaged to undertake a review of the Department's Occupational Safety and Health (OSH) Management System as it applies to prisons and to make recommendations on system gaps identified.

The final report and recommendations form the basis of an OSH Business Plan for 2006/2007. This plan will draw on the independent review as well as the recommendations relating to OSH issues raised in the Mahoney Inquiry report.

Employee assistance

An employee assistance program is available to employees and their immediate families. In 2005/2006, 102 (3%) employees accessed the service, for an average of less than three confidential counselling sessions. The referral rate for employee assistance program counselling was consistent with that of previous years and with national rates.

The Department referred four critical incidents involving employees, for individual and/or group support. Specific coaching and support services were provided to areas of the Department undergoing significant workplace change.

Bullying in the workplace



Eight bullying awareness sessions were delivered to Department staff this year. The provision of a workplace free from bullying is a key focus of the new Department.

Workers' compensation

Workers' compensation information, supplied by Riskcover, was not available at the time this report was compiled.

Substantive equality

The Department of Corrective Services is committed to implementing the WA Government's *Policy Framework for Substantive Equality (Policy Framework)*, which is part of the Public Sector Anti-Racism and Equality Program, by:

- appointing a senior officer responsible for implementing the Substantive Equality Framework
- providing a commitment to the Equal Opportunity Commissioner to implement the Policy Framework
- identifying Bandyup Women's Prison as the initial site to undergo the Policy Framework process during 2006/2007.

In 2006/2007, Department staff will finalise and implement *Substantive Equality Policy and Implementation Plan*, which will contain:

- a clearly-stated Substantive Equality Policy for the Department
- a five-year implementation plan, articulating:
 - a management structure
 - a reporting structure
 - respective roles and responsibilities
 - initial service area project nominations
 - a five-year plan for the Department.

REPORT ON OPERATIONS

Mahoney Reform Program

The Department of Corrective Services is committed to reforms to address the recommendations of the Mahoney Inquiry into the Management of Offenders in Custody and in the Community, which concluded in December 2005. The Department was created as a direct result of the Inquiry, which recommended the Department of Justice separate into two new agencies. Other key recommendations of the Inquiry related to the assessment and classification of offenders, and the processes and management of the Department's workforce. During the Inquiry, which spanned some six months, business and service levels continued to be maintained.

Key achievements and challenges

"It is now the time for action" - The Honourable Dennis Leslie Mahoney AO QC in his report on the *Management of Offenders in Custody and the Community* released in November 2005.

Background

The Inquiry into the *Management of Offenders in Custody and in the Community* was ordered by the Premier after a series of serious incidents involving offenders, early in 2005. The Hon Dennis Leslie Mahoney AO QC conducted the inquiry and his report was tabled in Parliament in November 2005. The Department of Justice gave its full support to the Inquiry, dedicating up to 10 staff who responded to almost 500 separate requests for information in addition to staff who appeared and gave evidence before the Inquiry.

In addition to the Mahoney Inquiry, the Inspector of Custodial Services conducted a directed review under the *Inspector of Custodial Services Act 2003*, to inquire into and advise on a wide range of systemic matters of concern.

In November 2005, the Government established the Justice Reform Implementation Committee (JRIC) to provide an independent oversight of the reform program.

Department created

On receipt of the report, the State Government immediately endorsed an Inquiry recommendation to separate the Department of Justice into two agencies – the Department of Corrective Services and the Department of the Attorney General.

Two new agencies were created within two months, under a governance framework established for efficient and effective decision-making. Department leaders, including the Department of Corrective Services Commissioner, met daily to coordinate the separation and responses to the Inquiry's recommendations. Legislation was reviewed and allocated to relevant portfolios, and corporate identities were created and applied.

Daily business was largely unaffected and services continued throughout the initial separation process. The new departments started operations on 1 February 2006.

At 30 June 2006, work was underway to evaluate and transition key services still shared between the Department of Corrective Services and the Department of the Attorney General. Some services will remain shared to maintain efficiencies and synergies between the respective departments, however, there will also be a need for each department to create their own support services.

A Mahoney Reform Program director was appointed in March 2006 to coordinate and oversee the Department's implementation of the recommendations. A comprehensive program management reporting framework has been established in addition to a governance structure that ensures ownership of the reform by the Commissioner and his executive team.

A new and improved corporate governance and reporting framework has been established to provide clear planning and direction, appropriate and timely information, adequate controls and sound resource management.

Recommendations prioritised

All recommendations of the Mahoney Inquiry were subjected to rigorous prioritisation to reflect the degree of impact a recommendation would have on community safety, operational services and staff safety and well being. The Department's capacity to implement recommendations was also a consideration in relation to the respective timeframes and dependencies between projects.

Specific projects were identified and funding was sought. Some recommendations did not require a funded response, such as the recommendation to re-affirm the Department's commitment to managing prisoners rather than warehousing them.

The Government has committed \$100 million to the reform program over the next four years and capital funding relating to another three recommendations. Some 22 foundation projects (17 of which are the responsibility of the Department and five relate to the Department of the Attorney General) were funded by Government. The Department's emphasis remained on ensuring traction was achieved and outcomes delivered. It is the Department's position that future projects will form part of the Department's budget strategy and will be identified and endorsed through the Minister for Corrective Services.

Key recommendations funded, and work undertaken, in 2005/2006 included:

Intelligence services

The Department's intelligence service was broadened and improved with the formation of the Security Services Directorate. The positions of Manager Statewide Security and Manager Justice Intelligence Service were created and filled. The Justice Intelligence Service was created and the filling of all positions and the transition from the existing Intelligence Analysis Section began. This will continue in 2006/2007. Information collection was also enhanced with improved access to intelligence reports by key stakeholders.

Staff safety review

Safety and security for staff in prisons and community justice services was improved by:

- developing minimum-design standards for facilities such as door design and visibility into closed rooms
- developing emergency response procedures, which will be implemented in 2006/2007, including the provision of personal duress alarms for staff
- increasing officer presence in key areas of risk
- tightening security measures, such as proactive searches
- providing security glass at reception counters at Community Justice Services offices
- installing dual access/egress doors in interview rooms at Community Justice Services offices.

Workloads addressed

Seventeen additional community corrections officers and 11 juvenile justice officers were funded to cater for increased demand and improve case management practices. Filling of these positions began in May 2006. Provisions were also made for a permanent staff relief team to be developed in 2006/2007 to allow staff to take leave or undertake training.

Prisoner classification

A comprehensive review was undertaken in 2005/2006 to set the scene for a two-stage project to revamp prisoner classification. Stage one of the project began in July 2006 and will involve researching the existing classification process and investigating additional factors and comparable systems. Stage two will involve developing and implementing new classification criteria, informed by the research, which recognises the different requirements throughout the State.

Core training for community based staff

Core induction training was delivered to newly recruited community corrections and juvenile justice officers before they took up field placements for the first time in May 2006. Previously, training was provided after new staff had started in the field. The Community Justice Services Training Unit developed a four-week training program to provide the new officers with the skills and knowledge they require before arriving at a branch. Specialist areas, such as working with sexual offenders and child protection issues, were also covered in the training.

Organisational change

The need for a single division to focus on offender management and professional development was recognised by the Mahoney Inquiry. The Offender Management and Professional Development Division, under the leadership of a Deputy Commissioner, was created in March 2006 to oversee staff training and development, health services and offender services. It includes offender programs, sentence management, prison counselling services, prison support, forensic consultancy, suicide prevention and education vocational training.

Another new division, which focused on a strategic approach to preventing corruption and encouraging higher professional standards, was also formed as a result of the Mahoney Inquiry. The Professional Standards, Integrity and Compliance Division was created in February 2006 under the leadership of an Assistant Commissioner.

The two senior executive positions were created and classified in accordance with recommendations made by the Mahoney Inquiry and the subsequent recruitment and selection process is expected to be completed in September 2006.

Legislation

The first step was taken to create a new Corrective Services Act with the introduction of the *Prisons and Sentencing Legislation Amendment Bill 2006* to Parliament in April 2006. The move to create a single Act, which amalgamates the *Prisons Act 1981* and the *Sentence Administration Act 2003*, was a recommendation of the Mahoney Inquiry. If passed, the Bill will provide:

- substantial changes to prisoner discipline and prison officer employment provisions
- amendments following from the realignment of the *Court Security and Custodial Services Act 1999*
- sundry amendments largely recommended for the operation of Adult Custodial services
- consequential amendments to other legislation flowing from the amalgamation.

Victim issues will also be considered including the legal authority to prevent mail being sent to victims or others who do not wish contact from offenders. It will also provide a clear authority and protection for information exchange about offenders with other agencies where this will promote offender management, victim support and research. This will help improve community safety and the development of rehabilitative programs.

Legislative provisions allowing temporary absences from prison have also been modernised in line with Mahoney's recommendations. The Bill will continue to be considered by Parliament in 2006/2007.

Adult Custodial

The service

Adult Custodial manages 12 maximum, medium and minimum security prisons. Six metropolitan prisons, six regional prisons and seven prisoner work camps operate throughout the State. A thirteenth prison, Acacia Prison, is overseen by the Department, but it is privately operated.

Key achievements and challenges

Key statistics

The WA prison system was originally designed to accommodate 3225 prisoners in prisons and 122 prisoners in work camps. At 30 June 2006, the prison population was 3526 – 44 more prisoners than the previous year. The prison system was operating at more than 9% above design capacity. However, various strategies have been implemented to accommodate the additional numbers, including ‘double bunking’ of prisoners in cells.

Prisoner numbers fluctuated during the year, with a low of 3328 prisoners in December 2005 and a peak of 3553 prisoners in April 2006. Maximum and medium security prisoner numbers increased, and minimum-security prisoner numbers decreased, adding pressure to prison management, particularly in the Kimberley, Pilbara and Goldfields regions.

These factors – coupled with accommodation shortages and long distances between prisons – made it difficult to place prisoners close to their families and communities.

TABLE 8

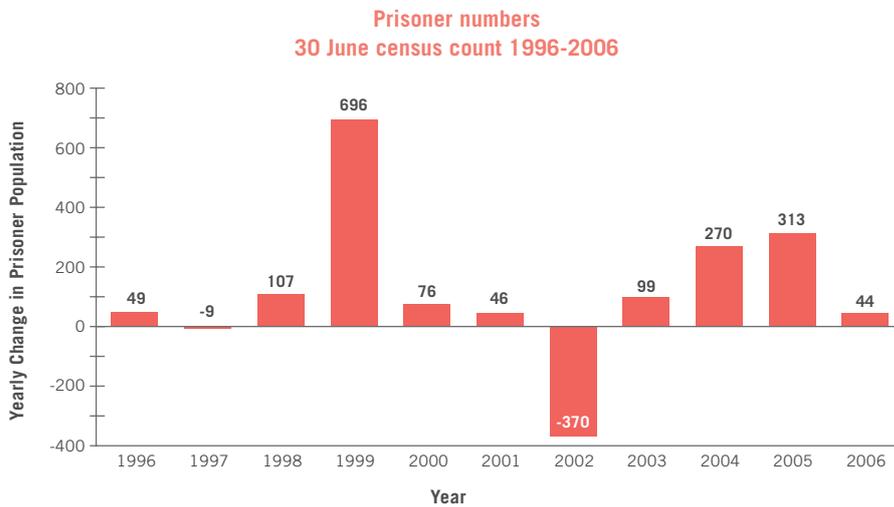


Proactive strategies to manage the increasing rate of Aboriginal imprisonment, and recent changes to the administration of fines enforcement, contributed to the temporary relief to growing prisoner numbers this year. But a continuing trend of an increasing male prisoner population was evident.

Successful WA Police initiatives have also contributed to increasing prisoner numbers, as did:

- an increase in the overall numbers of prisoners held on remand
- additional convicted Indonesian fisherman, both sentenced and on remand
- an increase in the security rating of prisoners (post-Mahoney Inquiry)
- tougher breaching practices for those in community corrections.

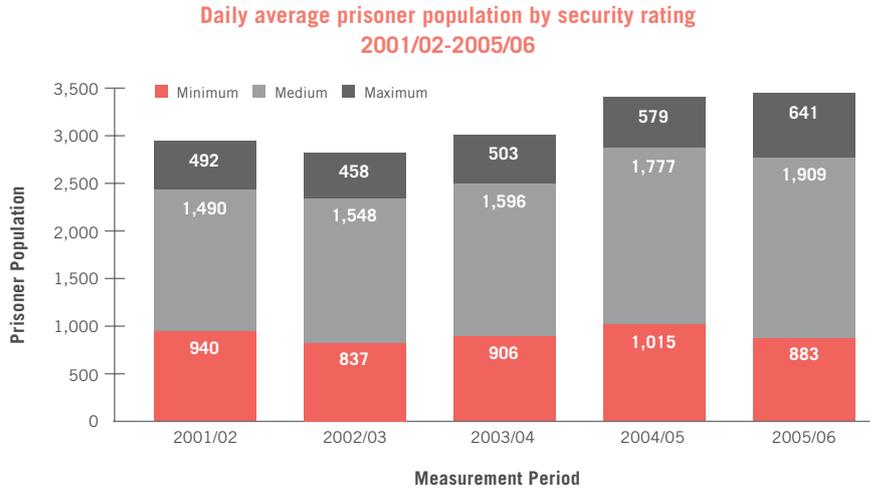
TABLE 9



The impact of the Mahoney Inquiry, the tightening of the assessment and release processes and heightened public scrutiny also contributed to a 10.6% increase in maximum-security prisoners, a 7.4% increase in medium-security prisoners and a 13% decrease in minimum-security prisoners.

This increase equates to around 193 extra maximum and medium-security prisoners who had to be accommodated. The ability for prisons to provide work opportunities and constructive activities for a larger number of prisoners was also diminished.

TABLE 10

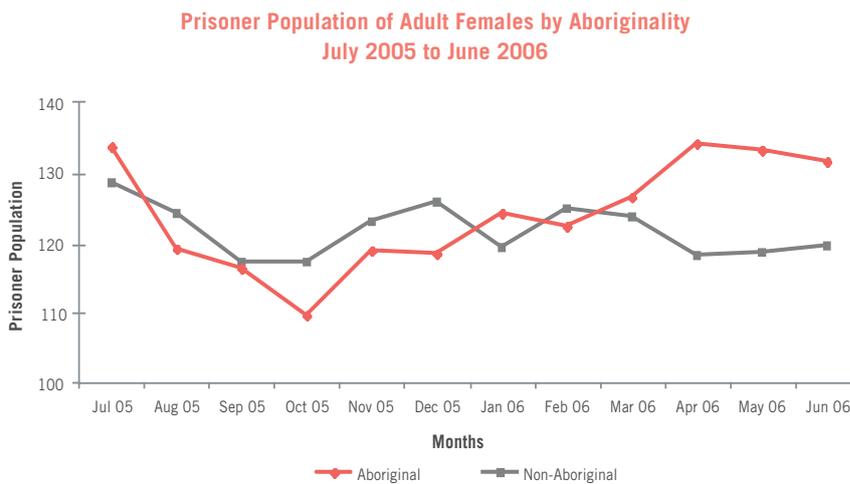


Women offenders PG  

The average daily population of female prisoners in 2005/2006 was 245, some 22 less than the previous year. The proportion of women in the WA prison system also fell from 7.9% to 7.2% of the prison population over the same period.

The management of women prisoners continued to improve under a philosophy developed by Women’s Custodial Services, which recognises that women prisoners often come from significantly disadvantaged groups and the cost of imprisonment to the women, their families and society is particularly significant.

TABLE 11



Boronia Pre-release Centre for Women prepares low-security women for release into the community so that they are better prepared to lead law-abiding lifestyles. Boronia achieved remarkable results, including:

- a reduced rate of recidivism in comparison to the WA prison system
- almost all women enrolled in education and training programs
- only two positive drug use results on drug prevalence testing
- no attempted suicides
- no assaults on staff or serious incidents involving self-harm or prisoner assaults.

Bandyup Women's Prison, which is the State's primary prison for women, also achieved impressive results in 2005/2006, including:

- no recorded positive drug use results on drug prevalence testing this year
- 20% decrease in the number of assaults by prisoners on prisoners
- 25% decrease in the number of assaults by prisoners on staff
- 38% decrease in incidents of self-harm.

Bandyup attributes its success to an ongoing reform program started in 2004/2005, which included introducing a structured day for prisoners, providing purposeful engagement and reward for effort. Support also continues for the Drug Free Unit where there is a waiting list of women keen to participate.

During 2005/2006, Bandyup invested heavily in major capital works, including progressing planning for a new front entrance and a 40-bed self-care accommodation unit. Construction of these is scheduled to begin in 2006/2007.

Regional prisons

The primary issues facing regional prisons included:

- a high proportion of Aboriginal prisoners
- limited capacity to hold medium security prisoners and short-term maximum security prisoners
- limited ability to cater for all types of prisoners, including the different security levels, special needs prisoners and female prisoners
- attraction and retention of prison officer staff, particularly at Roebourne, Broome and Eastern Goldfields.

Broome and Eastern Goldfields regional prisons continued to be unable to accommodate prisoners from their regions and, as a result, prisoners rated as maximum and medium-security were transferred to Perth or to other regional prisons.

Replacement of the Broome and Eastern Goldfields regional prisons remains a high priority, as buildings and infrastructure are well past the end of their economic life and fall short of acceptable service delivery standards.

Additional pressures arose due to the shortage of housing available for staff.

Aboriginal offenders

Aboriginal people made up about 40% of the prison population in 2005/2006, while they only make up 3% of the general WA population.

This year, the Department implemented major initiatives and local prison programs, as part of a Reducing Aboriginal Imprisonment Strategy. The strategy is a joint project with the Department of the Attorney General (DotAG).

Planning and/or implementation work was undertaken during to year to:

- **return prisoners to their home communities** – providing transport to prisoners released from prison to return to communities around Kalgoorlie and Roebourne to prevent offenders staying away from their communities and therefore decrease their likelihood of committing further offences
- **provide bail coordination** – to employ bail coordinators at Bandyup Women’s Prison and Hakea Prison to help prisoners meet bail conditions and reduce unnecessary overnight stays in prison
- **increase access to early release** – to establish viable parole plans for prisoners to be released on their earliest release date
- **facilitate employment options** – to increase employment of Aboriginal prisoners on their release
- **employ a sheriff/community development officer** – for ongoing work in the Goldfields and expanding to the Kimberley, Pilbara and Midwest to increase use of fine payment options by Aboriginal people
- **undertake judicial case management for family and domestic violence (DotAG)** – to expand Domestic Violence Court treatment diversion programs that help men change violent behaviour
- **develop a regional family and domestic violence pilot (DotAG)** – to gain assistance from senior Aboriginal men and women in the Geraldton area to design and deliver programs to address violent behaviour and reduce alcohol abuse
- **employ Aboriginal liaison officers (DotAG)** – in the Gascoyne to help Aboriginal people through court, set up fine payments and work options and provide education on justice issues in communities

These strategies will continue to be developed in 2006/2007.

Planning for the future custodial facilities in Kimberley and Goldfields regional prisons also continued in 2005/2006, with a focus on addressing the special cultural and rehabilitation needs of Aboriginal prisoners. The Kimberley Aboriginal Reference Group, established in 2004/2005, continued to work with the Department during the planning phase and provided advice and guidance on reducing re-offending among Aboriginal offenders.

Indonesian fishermen

In September and October 2005, increased air and sea patrols in Australia’s northern waters resulted in the arrest of higher than usual numbers of Indonesian nationals.

The number of Indonesian people in prisons peaked at 199 in March 2006. At 30 June 2006, some 36 Indonesian fishermen were in the WA prison system.

Funding has been sought through the Federal Government’s illegal fishing strategy to establish a work camp in WA specifically for illegal Indonesian fishermen.

The estimated cost to detain the Indonesian fishermen in 2005/2006 was \$ 3.8 million. However, in addition to the cost, there remain many challenges with managing this particular group including cultural and language differences, health concerns and integration with other prisoner groups.

Safety and security

Following a very serious incident involving a staff member at Bunbury Prison in March 2005, an internal safety and security audit of all prisons was initiated and a Prisons Safety and Security Strategy developed. The strategy provides solutions to reduce the likelihood and consequence of future security incidents across the prison system.

Key improvements to safety and security in 2005/2006 included:

- introducing personal staff duress alarms at Bunbury Prison and progressing introduction of on-person mobile duress alarms to other prisons in 2006/2007
- reviewing and developing staff induction and orientation programs
- implementing a capital works program to reduce risk to staff, prisoners and the community by developing new and improved prison facilities
- progressing the introduction of biometrics technology and improving access control mechanisms for maximum-security prisons.

Prison induction

The Department developed an induction and safety program for all WA prisons in 2005/2006. The program was developed by staff in response to concerns about staff safety raised by the Civil Service Association after a Statewide safety and security audit. Staff security concerns were also highlighted in the Mahoney Inquiry.

All employees, contractors, service providers and volunteers must now complete the program before they start work in public prisons. The program was launched in May 2006 and, by 30 June 2006, some 265 people had completed the program. The program ensures prison workers receive information about how to create safer worker environments in prisons, to increase individual and general safety awareness and reduce the risk of emergency situations arising in prisons.

Safety and health review

A Statewide prison occupational safety and health (OSH) review was undertaken by consulting firm SHAWMAC. Results provided to the Department in February 2006 found OSH management systems, processes and culture needed to be improved to align with the risk environment associated with the WA prison system.

A comprehensive training and awareness program began this year, with superintendents and key managers completing the program in June 2006. The implementation of an OSH executive governance framework, developing supporting policies, processes and systems and collaborating with Riskcover, WorkSafe and unions will be major initiatives in 2006/2007.

Improved intelligence

Emphasis on the collection, analysis and dissemination of intelligence information to decision-makers across the justice system continued in 2005/2006.

The Justice Intelligence Service was created under the newly-formed Security Services directorate. Key positions of Manager Statewide Security and Manager Justice Intelligence Service were appointed.



Profile: Terry Matthews

Terry Matthews has worked his way up the ranks to become Manager Statewide Security, a position created this year following recommendations from a number of reports.

Terry, 48, joined the Department in 1990 as a trainee prison officer at Wooroloo Prison Farm before taking up his first posting at Bunbury Regional Prison.

Soon after, he joined the Metropolitan Security Unit (now known as the Emergency Support Group) and progressed through the ranks to become Senior Officer Operations. He has also managed various security-related projects for the Department.

In his current role, Terry provides input into all aspects of operational security, co-ordinates risk-management strategies, reviews security at prisons and reports on emerging technology.

"Technology is playing an increasing role in safety and security in prisons," Terry said. "This year, there has been significant advances in mobile duress, biometrics for identification and verification, the electronic monitoring of offenders and electronic drug detection in support of the Department's canine operations."

The Manager Statewide Security is a position that provides a collaborative approach to security management across all prisons and works in close cooperation with other agencies including the WA Police.

iBASE

Stage one of an intelligence and portal development, and iBASE – an intelligence tool used by Justice Intelligence Service analysts – became operational during 2005/2006. iBASE accepts overnight downloads of data from corporate systems, and integrates this data with existing information to produce quality intelligence. Existing Justice Intelligence Service workflow was incorporated into iBASE to facilitate the receipt, evaluation and dissemination of intelligence.

A feature of iBASE is a risk-rating capability that allows instant visualisation of risk across the following areas:

- escape during movement
- violence
- self-harm
- escape with external assistance.

When combined with a risk-scoring matrix and a series of customised icons, iBASE calculates the risk posed by offenders. Another feature of iBASE is its ability to automatically link offenders and scheduled movements external to the prison.

Computer security tightened

Computer security was enhanced this year to protect the privacy of staff, victims and the community by reducing the risk of breaches through prison computers. Stricter controls and guidelines were introduced on the use of offender management databases by staff. Capacity to monitor and report on breaches was also improved.

Escapes from custody

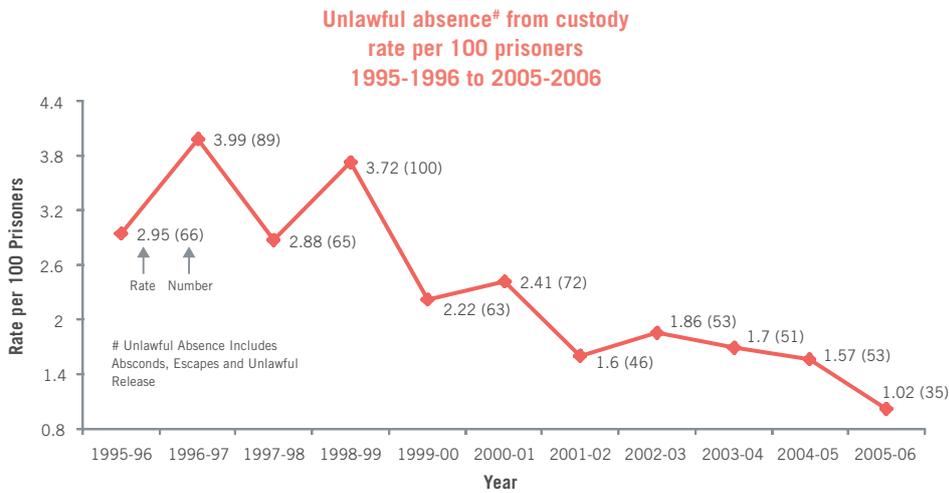
Unlawful absences continued to decline this year, with a total of 35 compared to 53 the previous year.

Unlawful absences are defined as:

- **escapes** – some form of physical security is breached
- **absconds** – physical security is not breached, for example, when a prisoner leaves a minimum-security facility without physical barriers.

The majority of unlawful absences were from regional minimum-security prisons, with 76.5% being from the Broome and Eastern Goldfields prisons.

TABLE 12



The reduced rates of unlawful absences over the past few years reflect the ongoing development of strategies that address the underlying causes of unlawful absences, reducing opportunities for it to occur. These include:

- upgrading perimeter security and enhancing security at minimum-security prisons
- improving classification and assessment of prisoners
- increasing structured activities in periods of heightened tension and stress
- continually enhancing prison facilities and procedures.

TABLE 13

Unlawful Absence from Department of Corrective Services Custody 1995-1996 to 2005-2006												
Security Level		1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Open level of security (Min security rating)	Number	65	86	59	91	59	64	46	52	49	52	34
	Rate per 100	7.6	11.4	7.5	9.8	6.1	6.1	4.9	6.21	5.52	5.12	3.84
Secure level of security (Max/Med security rating)	Number	1	3	6	9	4	8	0	1	2	1	1
	Rate Per 100	0.3	0.2	0.4	0.5	0.2	0.4	0	0.05	0.05	0.04	0.04
Total	Number	66	89	65	100	63	72	46	53	51	53	35
	Rate Per 100	2.95	3.99	2.88	3.72	2.22	2.41	1.6	1.86	1.7	1.57	1.02

Prison industries

Prison industries are an important part of the constructive activities that make up a structured day for prisoners, while offsetting the cost of imprisonment. The rise in prisoner population resulted in a reduction in the proportion of prisoners able to participate in full-time prison industry work in 2005/2006, due to work availability.

Despite this, the supply of goods and services within prisons, through prison industries had an estimated wholesale value of \$12 million in 2005/2006. This included:

- producing, processing, cooking and distributing major food items such as meat, vegetables and milk
- maintaining laundry, cleaning and facilities
- manufacturing linen, apparel, footwear, furniture and metal products.

Commercial operations were also undertaken to allow prisoners to experience the demands of work and quality expected by the broader community. External sales exceeded \$2 million in 2005/2006.

Work camps

Seven prisoner work camps operated in 2005/2006, with a capacity to hold 122 prisoners. The work camps operated at Wyndham, Bungarun (Derby), Millstream, Mt Morgans (Eastern Goldfields), Wheatbelt, Walpole and Pardelup. The newest work camp opened at Mt Morgans in October 2005.

Work camps continued to provide a constructive alternative to in-house prison activities, assisting prisoners' re-entry to the community by developing work and life skills and enhanced self-esteem. Work camps also contribute significantly to the rehabilitation of offenders, particularly Aboriginal offenders, by providing a more culturally appropriate form of custody.

The Millstream, Bungarun (Derby), Wyndham and Mt Morgans work camps give Aboriginal prisoners the opportunity to work on their traditional lands and maintain contact with their local communities.

In 2005/2006, prisoner work camps contributed more than 70,000 hours of work to regional communities, worth some \$961,500. They worked on a range of recreation and tourism, environment, heritage and community projects.

(See Report on Government Policies, Regional Development for more information)

Community and Juvenile Justice

The service

The Community and Juvenile Justice division contributes to a safe and orderly community by reducing offending, protecting the community and encouraging offenders toward law-abiding lifestyles. It is responsible for managing and providing community-based justice services, as well as juvenile custodial services.

Key achievements and challenges

Key statistics

At 30 June 2006, some 816 juvenile offenders and 5404 adult offenders were being managed in the community on various options such as work and development orders for fine defaulters, monitored bail, intensive supervision orders, re-entry release orders and parole. Of those offenders, some 506 juveniles and 1804 adults were aboriginal.

In custody, the average daily population of juveniles managed by Juvenile Custodial Services in 2005/2006 was 120 compared to 128.8 the previous year. There was an increase in admissions at Rangeview Remand Centre to 1499 in 2005/2006, compared to 1345 in 2004/2005. This equates to a daily average remand population of 45.5 juveniles, compared to 43.85 in 2004/2005, with an average length of stay of 16.9 days.

Banksia Hill Detention Centre received 222 sentenced juveniles this year — five less than last year. The average daily population was 74 (51.2 sentenced; 22.8 remand) juveniles and the average time they spent in custody was 15.7 weeks.

There were no escapes from juvenile custody in 2005/2006.

Supervised bail

In 2005/2006, there were 505 juvenile placements on a supervised bail program. This represented 10,786 days that the juveniles would have otherwise spent in custody.

There were 425 placements in the metropolitan area and 80 placements in regional areas. Some 79 of regional placements were to families, while the other was to a regional bail facility in Kalgoorlie, for seven days.

(See report on Government Policies for more information)

Workforce demand model

In 2005/2006, a new model was developed to identify appropriate levels of Community Justice Services' staff to match workload demands. The model determines resources required to undertake effective case management of juvenile and adult offenders. It supported the successful funding request for an extra 17 community corrections officers and 11 juvenile justice officers in May 2006.



Profile: Julie Dabala

Grandmother Julie Dabala, 46, loves her job as a community corrections officer – it's something she had wanted to do for a "long, long time".

Julie was a stay-at-home mum until she was 40, when she chose to complete a Bachelor of Criminology at Murdoch University. She joined the Department in 2004 as a juvenile justice officer and then worked as a community corrections officer on a contract basis before getting a permanent position in May 2006. Her position was funded through a recommendation of the Mahoney Inquiry.

Julie is very passionate about helping people – she has even worked as a volunteer on five occasions in Bangkok, counselling and supporting Australian, American and British prisoners.

In her role as a community corrections officer, Julie manages offenders on parole or on community-based orders.

"It's about working with people that want to change themselves, and assisting that to happen," she said. "It's also about challenging others that are either not ready to, or do not see the need to change their behaviour."

Offender education

Education continued to be provided at Banksia Hill and Rangeview education centres, and in the community. In 2005/2006, new educational programs included:

- specialist welding classes at Banksia Hill and Rangeview
- an employability skill program for young people at all levels of work readiness
- a commercial kitchen pre-apprenticeship preparation program.

An important part of the education program continued to be finding placements for young offenders who did not attend mainstream schools. Five such programs remained ongoing in 2005/2006. It is an unfortunate reality that many young offenders come into custody without the educational basics which, in turn, prevents them from gaining worthwhile employment and personal self esteem. Staff continued to focus on providing youths with skills and confidence in an effort to prevent them from returning to their re-offending life styles.

Offender training and development

Twenty new group workers were employed at Banksia Hill Detention Centre and Rangeview Remand Centre in 2005/2006. Their training and development included TAFE courses, quarterly performance appraisals and transfers across facilities to ensure they were familiar with the management and work environment of both centres.

Recruitment drives continued to focus on attracting Aboriginal staff.

Intensive Supervision Program

At 30 June 2006, some 22 families were receiving intensive intervention through the Intensive Supervision Program, which is often the last option for many families to help young people stay out of the justice system.

The average age of participants was 15.9 years.

The program has aided 93 families since February 2005, of which:

- 56% were Aboriginal
- 44% were non-Aboriginal
- 85% were males
- 15% were females.

Interagency partnerships were also developed this year to deal with ongoing factors that lead to offending, such as school exclusion and feuding families.

Formal evaluation of the program is expected to start in February 2008.

Research and evaluations

The Planning, Policy and Review directorate coordinated the following key research and evaluation activities across the Department in 2005/2006:

- evaluation and performance reports into addictive offending; drug test monitoring; programmatic interventions; employment, education and vocation programs developed a monitoring framework for the Reducing Aboriginal Imprisonment Strategies (See Report on Operations Adult Custodial for more information)

Staff training



In 2005/2006, some 64% of Community Justice Services' training programs were directly related to case management, including risk management and accountable decision-making. This approach to training reflected the findings of several reviews, including the Mahoney Inquiry, and the organisation's increased emphasis on professional judgement and accountability.

- considered 40 research applications and approved 31 through the Research Application and Review Committee
- hosted the inaugural Justice Research Conference in November 2005 with the University of Western Australia
- completed a profile of women in WA prisons and a survey on the needs of women in prison
- facilitated major research projects on the developmental pathways of WA children (Australian Research Council funded with the Telethon Institute of Child Health Research at the University of WA), health outcomes of WA Prisoners (Criminological Research Council funded with the University of WA) and the experiences of prisoners with cognitive impairment (Lotterywest funded with Edith Cowan University).

Legislative reform and policy development

Major legislation and policy achievements in 2005/2006 included:

- **Conditional suspended imprisonment** – the *Sentencing Legislation Amendment Act 2004* became operational on 31 May 2006 and provided for conditional suspended imprisonment as a discrete sentencing option
- **Dangerous Sexual Offenders Act 2006** – which was proclaimed on 12 May 2006. The Act allows the Director of Public Prosecutions to apply to the Supreme Court for a continuing detention order or a continuing supervision order for serious sexual offenders
- **Prisons and Sentencing Legislation Amendment Bill 2006** – introduced into Parliament in May 2006, as the first of two stages to develop a new *Corrective Services Act*.

A major paper was also developed on the mental health of offenders in Western Australia. The paper reported:

- 18% of adult prisoners had significant mental health issues, and about 12% of offenders on a community order
- between 4-5% of prisoners and 8-10% of offenders on community orders had a significantly lowered level of intellectual functioning
- the prevalence of mental illness was higher among female than male prisoners
- offenders with untreated mental illness were more likely to re-offend when released.

Aspects of the paper were endorsed by the Corrective Services Administrators' Conference in May 2006 and the Corrective Services Ministers' Conference in June 2006. The paper was forwarded for input to the Council of Australian Governments working group. It will be used in the future planning of offender services in Western Australia.

Offender Management and Professional Development

The service

Offender Management and Professional Development provides effective direction for offender management and associated services, incorporating sentence management, education and vocational training, program delivery and health services. It provides strategic policy advice and professional development and training opportunities to all staff.

Key achievements and challenges

Induction training

A new Community Justice Services core training program was developed for new community corrections and juvenile justice officers, in response to a recommendation from the Mahoney Inquiry. The program was successfully delivered in May and June 2006 to 14 new staff.

An induction program was also developed for new senior community corrections and juvenile justice officers to cover operational topics, management and leadership skills. The training program was delivered to about 60 people from a pool for these positions in January and February 2006.

Education and vocational training

Some 4629 prisoners took part in accredited education and vocational training in 2005/2006, and were enrolled in 330 different units. Full-time and part-time courses included adult basic education, secondary and higher education, vocational education and training, integrated personal development, driver training and pre-release support for employment and training.

Educational opportunities highlighted

Workshops to help prisoners become more employable and encourage them to participate in training were conducted at every prison in the State from February 2006. The three-hour workshops were designed to make prisoners competitive when applying for jobs after they have been released, by focusing on skills shortages in WA.

Customised workshops were also developed for women prisoners and prisoners in remote locations.

(See Corporate Governance, Working in Collaboration for information on Silver Trowel Bricklaying School)



Profile: Louise Hunter

Staff training consultant Louise Hunter, 45, trains community corrections officers before they go out into the field. The 'front loading' of core training was a key recommendation of the Mahoney Inquiry.

Louise draws on her own experience and education as a social worker to do the job. She joined the Department as a community corrections officer in 1999 after moving to Perth from England with her son to join family already here.

Previously, community corrections officers received induction training after they were placed at a branch.

"We now have a responsibility to train people before they take up positions," Louise said. "I design, develop and deliver some of the training and liaise with internal and external stakeholders, and consult with the staff."

She said the training was critical and gave officers the necessary skills and confidence to do their job, and improved staff and community safety.

Louise works for the Community Justice Service Training Unit at the Corrective Services Academy at Bentley, Perth.

Offender programs

During 2005/2006, some 890 offenders in public prisons started interventions in sexual offending, violent offending, addictions offending and cognitive skills. Of these, 723 participants completed 51,154 hours of intervention. While this represented a decrease in programs from 2004/2005 – which had some 789 participants – there was a significant increase in programs provided to remand or short sentence prisoners. Some 888 prisoners on remand or with short sentences completed 3875 hours of brief interventions. This compares to 479 prisoners, undertaking 2118 hours of interventions, in 2004/2005.

Health Services

Health Services delivers health care in adult and juvenile detention facilities and work camps. In addition to the services provided by nurses, doctors and allied health practitioners to existing prisoners and detainees, Health Services assessed the health of, and provided treatment to, 6146 new adult prisoners as they entered prison. In 2005/2006, Health Services also reviewed the health of some 11,500 prisoners who were transferred within the WA prison system during the year.

Prison counselling service and peer support

The Prison Counselling Service provided individual counselling to 3146 prisoners as part of crisis assessment and intervention, and suicide and self-harm prevention. This compares to 3006 prisoners last year.

Prisoners were also supported by prisoner peer support teams of prisoners recruited and coordinated by the Department's prison support officers. During 2005/2006, some 102 prisoner peer support officers completed suicide awareness training, compared to 111 in 2004/2005.

Corporate Support

The service

Corporate Support provides the Department with asset management, contracted services, financial management, human resources and information services. Following the creation of the Department in February 2006, the Department of the Attorney General continued to provide some corporate support services. This arrangement will continue until new corporate support structures have been established and filled, which is expected to occur progressively in 2006/2007. Reporting on 2005/2006 issues, achievements and challenges relating to corporate support services is limited in this section and largely appear in the Department of the Attorney General Annual Report 2005/2006.

Key achievements and challenges

Fencing Wooroloo and Karnet prison farms

Progress was made in Wooroloo and Karnet prison farms to strengthen security at these facilities and improve community safety.

Additional funding of \$7 million was provided to the Department this year to undertake the project. It is expected additional staff will be required to manage the new systems.

The fence around Karnet Prison Farm was completed in March 2006. The security and the entry building are expected to be completed in October 2006.

Wooroloo Prison Farm's fence was completed in May 2006 and the entry building is expected to be finished in November 2006.

Custodial planning for the Kimberley and Goldfields

A Project Concept Plan Report was completed in March 2006 to develop the concepts required to improve custodial services for offenders in the Kimberley.

A nine-member Aboriginal reference group, chaired by Mr Peter Yu, was established in June 2005, to guide the Government's planning for custodial facilities and services in the Kimberley. The group consulted widely with the Kimberley communities in 2005/2006. A final report was presented by the Aboriginal reference group for consideration by Government in February 2006. It made recommendations on a range of prisoner programs and service delivery options that should be drafted based on Aboriginal cultural and customary practices.

To ensure custodial services planning is consistent around the State, a similar plan is to be developed for the Goldfields and Ngaanyatjarra Lands regions in 2006/2007. This plan will address similar subjects as identified in the Kimberley and be undertaken in

close consultation with the local communities. The State Government provided \$1.8 million for this planning project.

Community Re-entry Coordination Service

During 2005/2006, the Re-entry Link program provided structured support plans to 929 prisoners and one-off support services to 955 people. Aboriginal clients represented more than half the clients serviced.

The community re-entry coordination service (Re-entry Link) provides support to prisoners and their families as they re-enter the community from prison. Contact is voluntary by both offenders and their families. Support is provided for up to three months before leaving prison and six months after leaving prison by eight non-government community support agencies.

Approximately 20% of clients who were supported under the Re-entry Link program in 2005/2006 returned to prison. This represents about half of the recorded rate of return to prison in WA of 40.6% ('Report on Government Services 2006').

Transitional Accommodation and Support Service

In 2005/2006, the Transitional Accommodation and Support Service (TASS) program provided support and housing to 79 clients. During that period 47% of clients supported were Aboriginal.

The TASS program provides support and mentoring services one month before leaving custody and for a transitional period of six months after release. Accommodation is provided by the Department of Housing and Works.

In 2005/2006, the program expanded to the Kimberley and Eastern Goldfields, with three houses being offered to TASS clients in each region.

About a quarter of clients who were supported under the TASS program returned to prison. This is significantly less than the recorded rate of return to prison in WA of 40.6% ('Report on Government Services 2006').

Acacia Prison management change

Serco Australia was awarded a five-year contract to manage Acacia Prison, Western Australia's only privately-run prison, in May 2006. Previously, the contract was held by Australian Integration Management Services (AIMS) Corporation.

Prisoner services were maintained during the transition to Serco management and the majority of the existing Acacia staff – uniformed and administrative – were offered and accepted positions at the prison under new arrangements. Serco dealt directly with AIMS regarding the transfer of staff entitlements.

Acacia is the State's largest prison with about 750 prisoners, 30% of whom are Aboriginal – the largest Aboriginal prisoner population in the State.

In accordance with the Prisons Act 1981, a separate annual report on the operations of Acacia Prison is provided to Parliament.

Major works management



The following major capital works were managed in 2005/2006:

- **Bandyup Women's Prison** – upgrading to existing self-care units and planning for new units
- **Bunbury Regional Prison** – installing personal mobile duress alarms and modifying doors and locks in non-custodial areas for staff safety
- **Eastern Goldfields Regional Prison** – repairing the perimeter fence, upgrading the telephone system, additional storage and office accommodation
- **Woorlooo Prison Farm** – upgrading some existing facilities and converting areas for extra accommodation.

Court Security and Custodial Services

Delivery of the Court Security and Custodial Services contract, held by AIMS Corporation, improved in 2005/2006. The contract involved providing security at all metropolitan and regional courts, staffing court custodial centres and providing secure prisoner transport across the State.

The Department of Corrective Services, in conjunction with the Department of the Attorney General, conducted operational reviews of service throughout the State, assessing performance-based risks. In 2005/2006, the services provided under the contract were contained to within the allocated budget.

The Supreme Court custody centre was upgraded this year to make it more secure and compliant with contemporary court custody centre standards. AIMS' management of the court custody centre was removed following the escape of nine prisoners in June 2004. They resumed management of the custody centre on 19 September 2005.

In accordance with the Court Security and Custodial Services Act 1999, a separate annual report on the contract will be provided to Parliament.

Professional Standards, Integrity & Compliance

The service

The Professional Standards, Integrity and Compliance (PSI&C) division ensures the highest standards of professionalism and integrity are demonstrated by all within the Department by providing:

- risk management
- corruption prevention
- proactive compliance testing
- quality assurance
- complaint investigation and assessment
- standards development and a framework incorporating compliance and reporting
- professional response to, and coordination of, reform emanating from key stakeholders including (but not limited to) the Inspector of Custodial Services, Ombudsman and Coroner.

Key achievements and challenges

Establishing a new division

The Professional Standards, Integrity and Compliance division was created in February 2006 in response to a key recommendation of the Mahoney Inquiry. It created a specific division for corporate corruption, internal witness support, compliance testing, complaint administration, investigations and proper governance.

In a planning workshop conducted in 2005/2006, the division identified its top five risks issues, which were:

1. Transformational leadership at all levels of management across the Department
2. Support from key stakeholder groups (internal and external)
3. Availability of adequate resources
4. Professional coordination of reform
5. Proactive risk management and cultural change.

Internal Investigations Unit

The Internal Investigations Unit (IIU) continued to conduct investigations into matters regarding Community and Juvenile Justice and Adult Custodial (prisons), and other cases as directed. It was also available to provide services to Acacia Prison where issues concerned the management of prisoners.

Investigation statistics for 2005/2006:

New investigations 2005/2006:	220
Investigations carried over from 2004/2005:	122
Total:	342
Investigations outstanding as at 30 June 2006:	113
Allegations of misconduct:	180
Investigations completed:	102
Misconduct substantiated:	24
Percentage substantiated:	23%

In accordance with Section 28 of the *Corruption & Crime Commission Act 2003*, some 137 cases for 2005/2006 were reported to the Corruption and Crime Commission (CCC) and, in accordance with Section 33 of the Act, the CCC referred 34 complaints against the Department to the IIU.

Of the cases investigated by the IIU, 70 were referred to the Department's Labour Relations Section for further inquiry and potential action.

Twenty-eight of these involved Adult Custodial staff and 42 were from Community and Juvenile Justice. Of these, 12 cases resulted from no further action being taken, 23 resulted in informal action and 26 resulted in formal disciplinary action. One employee was dismissed and four resigned. Eight of the 70 cases were ongoing at 30 June 2006.

Investigations

Complaint	01/07/2004		01/07/2005		Carry over to	
	– 30/6/2005	Substantiated	– 30/06/2006	Substantiated	Completed	2006/2007
Assaults & threatening behaviour	41	3	81	4	54	35
Attempted escapes	1	0	0	0	0	0
Breach of standards	67	21	69	13	50	34
Dishonesty	14	3	16	2	13	9
Criminal injuries compensation	21	0	5	N/A	14	1
Critical reviews	32	1	26	0	12	22
Resources	16	5	15	3	32	7
Trafficking	7	2	7	2	3	4
Unlawful releases	2	1	0	0	0	0
Use of force	0	0	1	0	0	1
Total investigations	201	36	220	24	179	113

Matters referred to the Labour Relations Unit 2005/2006:

Type	No of matters
Breach of computer & telecommunications facilities policy	33
Misconduct (criminal)	12
Misconduct (fitness to hold office as a prison officer)	7
Breach of confidentiality	6
Misconduct (PSMA)	4
Negligence	4
Misconduct (performance of duties)	3
Disobey order	1
Total	70

Coroner's reports  

In 2005/2006, there were seven deaths in prison custody. All deaths were subject to a Coronial Inquest on a date determined by the Coroner and include deaths due to terminal illnesses as well as those attributed to suicide.

In addition to a WA Police inquiry, the division's Internal Investigations Unit conducts an investigation into every aspect of the prisoners' management up to the time of their death, and reports its findings to the Coroner.

(See Corporate Governance, An Open and Transparent Department, for more information about the Professional Standards, Integrity & Compliance Division)

REPORT ON GOVERNMENT POLICIES

Disability services

The Department is committed to ensuring professional and appropriate services are provided to meet the needs of customers with physical, intellectual, sensory or cognitive disabilities, their carers and families.

A Disability Access and Inclusion Plan 2005-2008 (DAIP) was developed in 2005 to comply with the *Disability Services Act 1993*. Through the Department's website, the public was invited to make submissions for the plan between June and August 2005, as required by the new *Disability Services Regulations 2004*. Feedback was sought from external stakeholders. Two organisations provided positive feedback.

The Department uses a variety of measures to facilitate access by people with disabilities. These are reported against the key standards outlined in the *Disability Services Act 1993* and the Department's DAIP.

Key issues progressed in 2005/2006 are outlined below against the Government's disability standards:

Standard one

People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Department.

The Department's Disability Services Unit continued to provide support and advice to prisoners, their families, carers and staff, relating to the needs of prisoners with intellectual disabilities. It can also help offenders and people accused of crimes to access programs and services specifically adapted to their needs.

The Transitional Accommodation and Support Service provided pre and post-release services for six offenders with cognitive disabilities this year, through a specially adapted service. The Department of Housing and Works provided transitional accommodation for six months after release from prison, while Mosaic Family Support Services provided specialist support services.

A frequent offenders' service was also provided, offering pre and post-release services to offenders with intellectual disabilities.

In January 2006, a new officer was enlisted to work with people held under the *Criminal Law (Mentally Impaired Accused) Act 1996*.

The Department was represented on two interagency senior officers' groups for matters concerning people with disabilities. One group worked to develop an improved case management system for people with complex needs, while the other examined appropriate models to provide a "declared place" and services for people found mentally unfit to stand trial.

In 2005/2006, some 47 people were referred to the Department's Intellectual Disability Diversion program. Of these, 10 were Aboriginal. Thirty-two of the 47 referred people subsequently participated in the program, which helps people with intellectual disabilities, in contact the justice system, link to appropriate community-based interventions.

Standard two

People with disabilities have the same opportunities as other people to access the buildings and facilities of the Department.

The Albany Justice Complex, which includes a new Community Justice Services office, opened in 2005/2006 with incorporated disabled access.

Wherever possible, the Department ensures the requirements of the Building Code are met in its planning for all major upgrades and new works in relation to providing access to people with disabilities.

Standard three

People with disabilities receive information from the Department in a format that will enable them to access the information as readily as other people are able to access it.

In recognition of the special needs of people with disabilities, the Department has produced leaflet information for offenders, carers and court staff to explain certain processes. Specialist staff also provide advice and advocacy for victims, offenders and carers with literacy difficulties in custody and the community.

Standard four

People with disabilities receive the same level and quality of service from Department staff as other people receive.

Dedicated induction processes and training about the needs of people with disabilities, as well as the services and facilities available to them, were provided to staff in 2005/2006.

The Department's Disability Services Unit also provided specialist advice and information on Department services and programs to staff, carers and other agencies. About 160 trainee prison officers have received disability awareness training to assist in identifying and managing prisoners with intellectual impairment.

Standard five

People with disabilities have the same opportunities as other people to make complaints to the Department.

The Department started developing a new Complaints Administration process in 2005/2006 for implementation next year. This included a policy which acknowledges the needs of people with disabilities. The policy will ensure information about making a complaint is provided in a wide range of formats to meet the communication needs of people with disabilities.

Standard six

People with disabilities have the same opportunities as other people to participate in any public consultation by the Department.

The Department was scheduled to participate in a Joint Consultative Committee on disability access and inclusion, in conjunction with the Department of the Attorney General, in 2006/2007.

Cultural diversity and language services

The Department's Language Services Policy and Practical Guidelines provide a guide for improving services to customers so language is not a barrier to accessing Government services and communicating with Department officers. A review of the Language Services Policy and Practical Guidelines is planned for 2006/2007 in line with the outcomes of the review of the State Language Services Policy.

The Department continued to make interpreter services available in 2005/2006 to address customer needs, such as interviews with prisoners and medical staff dealing with prisoners.

In 2005/2006, the following specific initiatives were implemented in line with the Government's *Cultural Diversity and Language Services Policy*:

NAIDOC Week

The Department was actively involved in celebrating NAIDOC Week in July 2005. Activities were held for staff and offenders in most WA prisons, juvenile custodial centres and Community Justice Services offices to celebrate the history, traditions and achievements of Aboriginal and Torres Strait Islander people. An event was also held for Aboriginal staff and community members in Perth to promote the theme 'Our Future Begins with Solidarity'.

Indonesian language lessons

In 2005/2006, Woorloo Prison staff were taught Indonesian language skills to help them communicate with the illegal fisherman entering the prison. Staff had found communicating with the Indonesian fisherman difficult, so TAFE lessons were provided at the prison for 15 officers at a time.

Young people

The Department is committed to achieving the outcomes identified in the State Government *Plan for Youth*. In 2005/2006, the Department focused on a number of new and continuing programs, including:

Community conferencing

Regional community conferencing is a diversionary process dealing with minor offenders based on the Juvenile Justice Team (JJT) concept. Approved elders, wardens and other significant community members are able to hold family group conferences for minor offences, which saves juveniles travelling long distances to court.

The Department has four regional community conferencing coordinators, in the Kimberley, Pilbara, Goldfields and Gascoyne/Murchison regions, who train community members and provide ongoing support and assistance to the process.

In 2005/2006, three coordinators focused on establishing effective communication and networking within their respective remote Aboriginal communities. A fourth coordinator is expected to be recruited in 2006/2007.

Graffiti deletion

Community Justice Services' Repay WA community work program for juvenile and adult offenders contributed to an ongoing project to remove graffiti from public facilities and State assets.

In 2005/2006, Repay WA was serviced by 11 community work teams and 43 community work officers. These teams, comprising 6620 offenders in 2005/2006, were responsible for removing graffiti at more than 900 sites. Offenders contributed to the community work to comply with court orders.

Repay WA works with government and non-government partners, including Main Roads, Water Corporation and Western Power, to remove graffiti. Offenders who work on graffiti removal to complete court orders have the opportunity to repay the community for their crime, which in some cases was graffiti.

Supervised bail

In 2005/2006, some 505 placements were made on the Department's juvenile supervised bail program. Some 425 placements were to locations in the metropolitan area and 80 to regional areas as per table following.

The program aims to minimise the removal of young people from their regional communities due to them being charged with offences. It provides appropriate support systems and accommodation to increase their chances of successfully completing their bail. The juveniles placed on the program represented 10,786 days that they would have otherwise spent in custody.

Juveniles placed on supervised bail 2005/2006

Regional area	Placements
Goldfields-Esperance	10
Kimberley	6
Metro	425
Pilbara	1
Great Southern	9
Wheat Belt	19
South West	6
Peel	17
Mid West	12

Regional development

Providing WA's regional and remote communities with access to quality services is a continuing challenge for the Department. During the year, a number of new initiatives were achieved independently and in collaboration with other agencies and with the regional communities. These included:

Supervision agreements

Community supervision agreements operated in 2005/2006 to allow community councils to nominate members to undertake duties associated with the supervision for adults and juveniles on community-based orders and/or conditional bail in a community. This initiative provides the judiciary with a greater range of sentencing and remand options being available to them, in communities where agreements operate.

In 2005/2006, the Department had specialised community supervision agreement officers operating in the Pilbara, Goldfields, Murchison/Gascoyne and Kimberley. The officers were responsible for providing information on the agreement to community councils and working with them to develop culturally relevant supervision to manage adults and juveniles in a community setting.

At 30 June 2006, some 59 community supervision agreements were signed with Aboriginal communities throughout the State. The majority of these were in the Goldfields (20), followed by the Kimberley (16), Mid-West (16) and Pilbara (7).

Work camps

Seven prisoner work camps, around the State, contributed more than 70,000 hours of reparation to regional communities in 2005/2006. Prisoners worked with not-for-profit organisations and local government on a range of projects, such as:

- **environmental** – eradicating non-indigenous vegetation in Millstream-Chichester National Park, maintaining fire breaks, salinity control through tree planting and eradication of Neem trees around Kununurra.
- **recreation and tourism** – constructing a Forest Sculpture Walk Trail at Northcliffe, developing stage two of the Munda Biddi Cycle Trail and building information shelters, picnic and toilet facilities at local tourist attractions.

Community work projects

At any one time, 1800 community work projects operated across the State, with adult offenders generating an average of 250,000 hours of community work each year. Under the Government Repay WA initiative there are 11 community work teams deployed across the State, with seven in remote/regional areas.

The work groups from regional and remote areas provide labour for a range of organisations, including local authorities, CALM, Department of Housing and Works and not-for-profit community organisations

They undertook tasks such as revegetation, maintenance, graffiti, fencing and building firebreaks and footpaths.

The use of community service agreements between Aboriginal clients and the local community in more remote locations has allowed Aboriginal client groups to have their community work supervised by a community member. This has provided more work opportunities and strengthened the community work initiative at a regional level.

- **heritage and historical projects** – maintaining pioneer cemeteries at Merredin, Derby, Hines Hill and Wyndham, and the Millstream Homestead and St Werburghs Church in Mt Barker.
- **community projects** – constructing concrete plinths in Derby, painting, the developing gardens and refurbishing the Catholic Church in Laverton.
- **disaster relief projects** – helping to control bushfires in the South West, assisting farmers to repair fences after flooding and evacuation and cleaning up in Wyndham following local flooding.

Environment programs

Energy Smart Government

The Department did not achieve the Energy Smart policy milestone of a 10% reduction in energy consumption by 30 June 2006. The Department recorded a 2.97% reduction.

In 2005/2006, the Department did the following to reduce energy consumption:

A Department energy management team coordinated quarterly data entry and monitored progress.

Non-repayable facilitation grants were used to conduct four energy audits during the year. It is anticipated that recommendations from the audits will result in further energy reductions during 2006/2007.

The Department also received in-principle approval for repayable capital advance funding to implement a variety of energy saving capital projects at eight prisons, two justice complexes and one juvenile remand centre. Energy-saving works should result in energy reductions that would enable the Department to repay the advance over seven years.

To raise awareness of Energy Smart issues, communication was undertaken with staff via the intranet and internal newsletters. Energy-saving messages on stickers and posters were also distributed.

Energy Smart Government Program	Baseline (FY 2001/02)	2005/2006	Variation %
Energy Consumption (MJ)	183,876,000	178,424,000	- 2.97
Energy Cost (\$)	3,610,400	4,463,726	23.63
Greenhouse (tonnes)	31,469	31,194	- 0.88
Performance Indicators			
MJ/sqm	1501	1248	–
MJ/FTE	11,786	11,941	–

* Note that the MJ/FTE value is based on office buildings only.

Recycling



During 2005/2006, the Department continued to use the common use contract for recycling of paper. Together with the Department of the Attorney General, almost 1000 bins of paper from the metropolitan area were collected.

Some 2395 inkjet and toner cartridges were also collected from both departments.

Sustainability

The Department has a *Sustainability Action Plan* to provide practical guidelines on applying sustainability principles and the Department pursues solutions to deliver the better social, economic and environmental outcomes.

In 2005/2006, the Department provided cross-cultural awareness training to staff, while 12 prisoners completed accredited training in general building and construction.

Corrective Services also undertook a range of activities to provide sustainable prison industries, including a fully-operational farm at Karnet. It also participated in community support work by recycling bicycles through the Activ Foundation, providing handyman-type activities for seniors in Derby and producing under-arm cushions for breast cancer surgery patients through Zonta International.

Acknowledging its effort in this area, the Department was awarded an achievement certificate and an energy champion trophy by the Sustainable Energy Development Office in December 2005.

FINANCIAL STATEMENTS

Statement of certification

The accompanying financial statements of the Department of Corrective Services have been prepared in compliance with the provision of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the five months ending 30 June 2006 and the financial position as at 30 June 2006.

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.



Graeme Doyle

A/EXECUTIVE DIRECTOR CORPORATE SERVICES
Chief Finance Officer
28 July 2006



Ian Johnson

ACCOUNTABLE OFFICER
28 July 2006



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**DEPARTMENT OF CORRECTIVE SERVICES
FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS
FOR THE FIVE MONTHS ENDED 30 JUNE 2006**

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Department of Corrective Services at 30 June 2006 and its financial performance and cash flows for the five months ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the Department provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key effectiveness and efficiency performance indicators of the Department are relevant and appropriate to help users assess the Department's performance and fairly represent the indicated performance for the five months ended 30 June 2006.

Scope

The Commissioner is responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Schedule of Income and Expenses by Service, Summary of Consolidated Fund Appropriations and Income Estimates, and the Notes to the Financial Statements.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.

D D R PEARSON
AUDITOR GENERAL
21 September 2006

DEPARTMENT OF CORRECTIVE SERVICES

INCOME STATEMENT

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

	Note	2006 \$'000
COST OF SERVICES		
EXPENSES		
Employee benefits expenses	6	93,673
Supplies and services	7	61,072
Depreciation and amortisation	8	5,960
Accommodation expenses	9	1,678
Grants and subsidies	10	2,334
Capital user charge	11	14,254
Loss on sale of assets	12	9
Other expenses	13	20,816
Total cost of services		199,796
INCOME – REVENUE		
User charges and fees	14	19
Commonwealth grants and contributions	15	244
Other revenues	16	5,453
Total income other than income from State Government		5,716
NET COST OF SERVICES		194,080
INCOME FROM STATE GOVERNMENT		
	17	
Service appropriations		160,191
Liabilities assumed by the Treasurer		553
Resources received free of charge		13,715
Total income from State Government		174,459
SURPLUS/(DEFICIT) FOR THE PERIOD		(19,621)

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

DEPARTMENT OF CORRECTIVE SERVICES

BALANCE SHEET

AS AT 30 JUNE 2006

	Note	2006 \$'000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	27	16,333
Receivables	19	3,057
Amounts receivable for services	20	19,311
Total current assets		38,701
NON-CURRENT ASSETS		
Restricted cash and cash equivalents	18	567
Amounts receivable for services	20	14,044
Property, plant, equipment & vehicles	21	603,497
Intangible assets	22	168
Total non-current assets		618,276
TOTAL ASSETS		656,977
LIABILITIES		
CURRENT LIABILITIES		
Payables	23	18,119
Provisions	24	37,036
Other current liabilities	25	1,862
Total current liabilities		57,017
NON-CURRENT LIABILITIES		
Provisions	24	12,409
Total non-current liabilities		12,409
TOTAL LIABILITIES		69,426
NET ASSETS		587,551
EQUITY		
	26	
Contributed equity		531,277
Reserves		75,895
Accumulated surplus/(deficiency)		(19,621)
Total equity		587,551
TOTAL LIABILITIES AND EQUITY		656,977

The Balance Sheet should be read in conjunction with the accompanying notes.

DEPARTMENT OF CORRECTIVE SERVICES

CASH FLOW STATEMENT

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

	Note	2006 \$'000
CASH FLOWS FROM STATE GOVERNMENT		
Service appropriation		153,172
Capital contributions		14,532
Holding account drawdowns		6,000
Distribution from owner		14,500
Net cash provided by State Government		188,204
Utilised as follows:		
CASH FLOWS FROM OPERATING ACTIVITIES		
PAYMENTS		
Employee benefits		(78,172)
Supplies and services		(60,403)
Accommodation expenses		(1,679)
Capital user charge		(17,231)
GST payments on purchases		(6,825)
GST payments to taxation authority		(228)
RECEIPTS		
Receipts from services		4,968
Commonwealth Grants and Contributions		57
GST receipts on sales		304
GST receipts from taxation authorities		4,558
Net cash provided by/(used in) operating activities	27 (c)	(154,651)
Continued over page		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current physical assets		(16,653)
Net cash provided by/(used in) investing activities		(16,653)
Net (decrease)/increase in cash and cash equivalents		16,900
Cash and cash equivalents at the beginning of the financial year		
		—
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	27 (a)	16,900

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

DEPARTMENT OF CORRECTIVE SERVICES STATEMENT OF CHANGES IN EQUITY

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

	Note	2006 \$'000
Balance of equity at start of period		—
CONTRIBUTED EQUITY		
Balance at start of period	26	—
Capital contribution		14,532
Distribution from owners		516,745
Balance at end of period		531,277
RESERVES		
ASSET REVALUATION RESERVE		
Balance at start of period	26	—
Gains/(losses) from asset revaluation		75,895
Balance at end of period		75,895
ACCUMULATED SURPLUS		
Balance at start of period	26	—
Net adjustment on transition to AIFRS		—
Surplus/(deficit) for the period		(19,621)
Balance at end of period		(19,621)
Balance of equity at end of period		587,551
Total Income and Expense for period*		56,274

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

**The aggregate net amount attributable to each category of equity is: gains \$75,895,000 less deficit \$19,621,000*

DEPARTMENT OF CORRECTIVE SERVICES
SCHEDULE OF INCOME AND EXPENSES BY SERVICE
 FOR THE FIVE MONTHS ENDED 30 JUNE 2006

	2006 Service 1 Adult Criminal Justice Services \$'000	2006 Service 2 Juvenile Criminal Justice Services \$'000	2006 Total \$'000
COST OF SERVICES			
EXPENSES			
Employee benefits expense	79,371	14,302	93,673
Depreciation and amortisation expense	5,587	373	5,960
Capital user charge	13,610	644	14,254
Other expenses	79,033	6,876	85,909
Total cost of services	177,601	22,195	199,796
INCOME			
Sales	5,441	275	5,716
Total income other than income from State Government	5,441	275	5,716
NET COST OF SERVICES	172,160	21,920	194,080
INCOME FROM STATE GOVERNMENT			
Service appropriation	138,258	21,933	160,191
Liabilities assumed by the Treasurer	451	102	553
Resources received free of charge	11,698	2,017	13,715
Total income from State Government	150,407	24,052	174,459
SURPLUS/(DEFICIT) FOR THE PERIOD	(21,753)	2,132	(19,621)

The Schedule of Income and Expenses should be read in conjunction with the accompanying notes.

DEPARTMENT OF CORRECTIVE SERVICES
SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND INCOME ACTUALS
 FOR THE FIVE MONTHS ENDED 30 JUNE 2006

	2006 Estimate \$'000	2006 Actual \$'000	Variation \$'000
DELIVERY OF SERVICES			
Item 111 – Net amount appropriated to deliver services	—	12,899	12,899
Section 25 transfer of service appropriation	147,029	147,029	—
AMOUNT AUTHORISED BY OTHER STATUTES			
<i>Salaries and Allowances Act 1975</i>	—	263	263
Total appropriations provided to deliver services	147,029	160,191	13,162
CAPITAL			
Item 177 – Capital Contribution	11,937	14,532	2,595
GRAND TOTAL	158,966	174,723	15,757
Details of Expenses by Service			
Service 1 – Adult Criminal Justice Services	134,140	177,601	43,461
Service 2 – Juvenile Criminal Justice Services	18,193	22,195	4,002
Total appropriations provided to deliver services	152,333	199,796	47,463
Total income other than income from State Government	(5,304)	(5,716)	(412)
Net cost of services	147,029	194,080	47,051
Adjustments	—	(33,889)	(33,889)
Total appropriations provided to purchase services	147,029	160,191	13,162
CAPITAL EXPENDITURE			
Purchase of non-current physical assets	36,125	16,653	(19,472)
Adjustment for other funding sources	24,188	2,121	(22,067)
Capital contribution (appropriation)	11,937	14,532	2,595

The summary of Consolidated Fund Appropriations, Variance to Budget and Actual should be read in conjunction with the accompanying notes.

The 2006 Estimate column of \$147,029 represents the transfer of service appropriation from the Department of Justice to the Department of Corrective Services in accordance with Section 25 of the *Financial Administration and Audit Act*. The Section 25 transfer has been apportioned between Service 1 and Service 2 in accordance with the approved 2005/2006 budget allocations.

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

1 Department of Corrective Services mission and funding

On 1 February 2006, the Government approved the transfer of the Offender Management functions from the Department of Justice to a newly created Department of Corrective Services, and renamed the Department of Justice as Department of the Attorney General. The Department of Corrective Services is responsible for the leadership, support and provision of a diverse range of Offender Management services, including:

- providing support, assistance, advice and counselling to victims of crime
- managing adult and juvenile offenders in custody and in the community
- providing information and support to the Parole Board and Supervised Release Review Board.

The Department is predominantly funded by Parliamentary Appropriations.

The Department's financial statements encompass all funds through which the Department controls resources to carry on its functions.

Revenue and expense transactions of the Department of Corrective Services for the seven months that it was with the Department of Justice (in accordance with AAS 29 12(8)) are summarised in Note 35.

2 First time adoption of Australian equivalents to International Financial Reporting Standards

This is the Department's first published financial statements prepared under Australian Equivalents to International Financial Reporting Standards (AIFRS). AASB 1 'First-time adoption of Australian Equivalents to International Financial Reporting Standards' has been applied in preparing these financial statements.

The Australian Accounting Standards Board (AASB) adopted the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005 by issuing AIFRS which comprise a Framework for the Preparation and Presentation of Financial Statements, Australian Accounting Standards and the Urgent Issues Group (UIG) Interpretations.

In accordance with the option provided by AASB 1 paragraph 36A and exercised by Treasurer's Instruction (TI) 1101 'Application of Australian Accounting Standards and Other Pronouncements', financial instrument information prepared under AASB 132 and AASB 139 will apply from 1 July 2005 and consequently comparative information for financial instruments is presented on the previous AGAAP basis. All other comparative information has been prepared under the AIFRS basis.

Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. This TI requires the early adoption of revised AASB 119 'Employee Benefits' as issued in December 2004, AASB 2004-3

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

'Amendments to Australian Accounting Standards' and 2005-3 'Amendments to Australian Accounting Standards [AASB 119]'; AASB 2005-4 'Amendments to Australian Accounting Standard [AASB 139, AASB 132, AASB 1, AASB 1023 & AASB 1038]' and AASB 2005-6 'Amendments to Australian Accounting Standards [AASB 3]' to the annual reporting period beginning 1 July 2005. AASB 2005-4 amends AASB 139 'Financial Instruments: Recognition and Measurement' so that the ability to designate financial assets and financial liabilities at fair value is restricted. AASB 2005-6 excludes business combinations involving common control from the scope of AASB 3 'Business Combinations'.

3 Summary of significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements:

(a) General statement

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

The *Financial Administration and Audit Act* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also satisfy accountability requirements.

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

On 1 February 2006, the Government approved the transfer of the Offender Management functions from the Department of Justice to a newly created Department of Corrective Services. Therefore no explanations on variations to previous year actuals, or to original budget, have been provided.

(b) Basis of preparation

The financial statements have been prepared in accordance with Accounting Standard AAS 29 'Financial Reporting by Government Departments' on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000).

(c) Reporting entity

The reporting entity comprises the Department and no other related bodies.

(d) Service appropriations

Service appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the holding account held at the Department of Treasury and Finance. Refer to Note 17 for further commentary on service appropriations.

(e) Contributed equity

Under UIG 1038, 'Contributions by Owners Made to Wholly-Owned Public Sector Entities', transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Balance Sheet. Capital appropriations which are repayable to the Treasurer are recognised as liabilities. Refer to Note 26 for further commentary on the application of UIG 1038 and TI 955.

(f) Net appropriation determination

Pursuant to section 23A of the Financial Administration and Audit Act, the Department has entered into a net appropriation arrangement with the Treasurer, where the proceeds from services are retained by the Department. Items covered by the agreement include commonwealth recoups, sale of personal prisoner services, sale of prison produce surplus to requirements, workers compensation recoups, criminal injuries awards and other miscellaneous revenues.

(g) Grants and other contributions revenue

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

(h) Revenue recognition

Revenue is recognised where it can be reliably measured, in the period to which it relates. However, where there is not an established pattern of income flow, revenue is recognised on a cash receipts basis.

(i) Depreciation of non-current assets

All non-current assets with a value of more than \$5,000 and a useful life of more than two years are systematically depreciated over their useful lives in a manner which reflects the consumption of their future economic benefits. Furniture items are

DEPARTMENT OF CORRECTIVE SERVICES**Notes TO FINANCIAL STATEMENTS**

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

mostly under this limit and are expensed in the year of purchase. Library and livestock purchases are also expensed in the year of purchase.

Depreciation is calculated on the straight line basis, using rates which are periodically reviewed. Expected useful lives for each class of depreciable assets are:

- | | |
|----------------------------------|------------|
| ■ Buildings | 50 years |
| ■ Leasehold improvements | 10 years |
| ■ Information technology systems | 5 years |
| ■ Plant, plant and equipment | 4–15 years |

Building and information technology projects are reported as 'Works in Progress' until commissioned.

(j) Revaluation of land, buildings and infrastructure

The Department has a policy of revaluing land and buildings to fair value, on an annual basis, under AASB 116. The annual revaluations are undertaken by the Department of Land Information and movements are recognised in the financial statements.

See Note 21.

Where market evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset (ie. the depreciated replacement cost). The revaluation of land and buildings is an independent valuation provided on an annual basis by the Department of Land Information (Valuation Services).

(k) Impairment of assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each reporting date. 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 written down to the recoverable amount and an impairment loss is recognised. The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

(l) Intangible assets

All acquired and internally developed intangible assets are initially recognised at cost. Amortisation for intangible assets with finite lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis. All intangible assets controlled by the Department have a finite useful life and zero residual value. The expected useful life for Departmental intangible assets is five years.

DEPARTMENT OF CORRECTIVE SERVICES**Notes TO FINANCIAL STATEMENTS**

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

(m) Leases

The Department has entered into a number of operating lease arrangements, for buildings through the Department of Housing and Works, for passenger and light commercial motor vehicles through the State Supply Commission and for office equipment where the lessors effectively retain all of the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

Refer to Note 29 (b).

(n) Financial instruments

The Department has two categories of financial instrument: (1) receivables (includes cash) and (2) non-trading financial liabilities. Initial recognition and measurement is at fair value. Usually the transaction cost or face value is equivalent to the fair value. Subsequent measurement is at amortised cost using the effective interest method. Short term receivables and payables with no stated interest rate are measured at transaction cost/face value where the effect of discounting is immaterial.

The Department considers that there are no embedded derivative implications with regard to potential increases in contractual costs.

(o) Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents.

(p) Accrued salaries

The accrued salaries suspense account (refer Note 18) consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pays occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (refer Note 25) represent the amount due to staff but unpaid at the end of the financial year, if the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to the net fair value. The last pay day in 2005/2006 was 29 June, therefore an accrual of one day's salaries was necessary in this financial year.

(q) Receivables

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

Collectability of receivables are reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

DEPARTMENT OF CORRECTIVE SERVICES**Notes TO FINANCIAL STATEMENTS**

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

(r) Expenditure carried forward

Software – Significant costs associated with the acquisition or development of computer software are capitalised and amortised on a straight line basis over the periods of the expected benefit, which is usually five years.

Web site costs – Costs in relation to web sites controlled by the Department are charged as expenses in the period in which they are incurred.

(s) Payables

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

(t) Provisions**Annual leave**

This benefit is recognised at the reporting date in respect to employees' services up to that date and is measured at the anticipated amounts expected to be paid when the liabilities are settled.

Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using interest rates to obtain the estimated future cash outflows. The long service leave liability is based on a shorthand method provided by Price Waterhouse Coopers Actuaries in May 2006 and is compliant with AASB 119 'Employee Benefits'.

Employment oncosts

Employment oncosts, including workers' compensation insurance, are not employee benefits and are recognised as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of the Department's employee benefits expense and the related liability is included in employment on-cost provision.

(u) Superannuation

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

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

The superannuation expense is comprised of the following elements:

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

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

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

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

(v) Resources Received Free of Charge or For Nominal Value

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

(w) Comparative figures

On 1 February 2006, the government approved the transfer of the Offender Management functions from the Department of Justice to a newly created Department of Corrective Services. Therefore no comparative figure existed in the previous financial year.

(x) Rounding of Amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

4 Services of the Department

Information about the Department's services is set out in the schedule of Expenses and Revenues by Service.

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

The services of the Department are:

(1) Adult Criminal Justice Services

The custody, containment, care, well being and rehabilitation of adult offenders and their reintegration into and reparation to the community, managed through prisons and the supervision of offenders in the community. This includes the provision of remedial programs, further education and employment skills, sentencing reports, assessment reports outlining offender's suitability for release or their progress in the community to releasing authorities such as the parole board, providing policy advice, infrastructure management and planning and collaborating with other agencies.

(2) Juvenile Criminal Justice Services

Juvenile offenders are managed in custody, and in the community to fulfil the orders of the courts and through diversion from court programs. Juveniles participate in remedial, educational and rehabilitation programs that address their offending behaviour.

5 Disclosure of Changes in Accounting Policy and Estimates

Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. As referred to in Note 2, TI 1101 has only mandated the early adoption of revised AASB 119, AASB 2004-3, AASB 2005-3, AASB 2005-4 and AASB 2005-6. Consequently, the Department has not applied the following Australian Accounting Standards and UIG Interpretations.

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007. The Standard is considered to result in increased disclosures of an entity's risks, enhanced disclosure about components of financial position and performance, and changes to the way of presenting financial statements, but otherwise there is no financial impact."
2. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an 'insurance contract' under AASB 4 'Insurance Contracts' or as a 'financial guarantee contract' under AASB 139 'Financial Instruments: Recognition and Measurement'. The Department does not undertake these types of transactions resulting in no financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2006.

DEPARTMENT OF CORRECTIVE SERVICES**Notes TO FINANCIAL STATEMENTS**

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

3. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease'. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At reporting date, the Department has not entered into any arrangements as specified in the Interpretation resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2006.

CORPORATE SERVICES

Corporate services costs have been allocated on a service level agreement basis to services.

6 Employee benefits expenses

	2006 \$'000
Wages and salaries	72,815
Superannuation	8,035
Long service leave	3,582
Annual leave	9,241
	93,673

7 Supplies and services

Services and contracts	34,202
Resources received free of charge	13,715
Goods and supplies purchased	13,155
	61,072

8 Depreciation and amortisation**DEPRECIATION**

Buildings	5,420
Property, plant, equipment & vehicles	378
Total depreciation	5,798

AMORTISATION

Leasehold improvements	133
IT systems	29
Total amortisation	162
	5,960

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

2006
\$'000**9 Accommodation expenses**

Building rental operating lease expenses	1,678
--	-------

10 Grants and subsidies

Offenders gratuities	2,295
Non-government organisations	37
Other grants and subsidies	2
	2,334

11 Capital user charge

Capital user charge expense for the year	14,254
--	--------

A capital user charge rate of 8% has been set by the Government and represents the opportunity cost of capital invested in the net assets of the Department used in the provision of services. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.

12 Net gain/(loss) on disposal of non-current assets**PROCEEDS FROM DISPOSAL OF NON-CURRENT ASSETS**

Gross proceeds on disposal	45
Costs of Disposal of Non-Current Assets	
Property, plant, equipment & vehicles	54
Buildings	—
Net gain/(loss)	(9)

13 Other expenses

Building repairs and maintenance	5,520
Electricity and water	1,622
Communication expenses	2,387
Plant, equipment and vehicle operating lease expenses	1,090
Plant, equipment and vehicle repairs and maintenance	2,704
Vehicle hire, fuel, registration and management fees	1,167
Other staff costs	4,894
Other expenses	1,432
	20,816

DEPARTMENT OF CORRECTIVE SERVICES**Notes TO FINANCIAL STATEMENTS**

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

2006
\$'000**14 User charges and fees**

Miscellaneous fees and charges	19
	19

15 Commonwealth grants and contributions**RECURRENT**

Commonwealth recoup other	244
	244

16 Other revenues

Sale of produce and goods	883
Canteen sales	1,663
Recoup of salaries and workers compensation	1,425
Recoup of telephones, postage and other reimbursements	614
Other miscellaneous revenue	868
	5,453

17 Income from State Government2006
\$'000**APPROPRIATION REVENUE RECEIVED DURING THE YEAR:**

Service appropriations (1)	160,191
	160,191

LIABILITIES ASSUMED BY THE TREASURER DURING THE FINANCIAL YEAR

Superannuation – employees (2)	553
	553

RESOURCES RECEIVED FREE OF CHARGE (3)**DETERMINED ON THE BASIS OF THE FOLLOWING ESTIMATES PROVIDED BY AGENCIES**

Department of Treasury and Finance – provision of integrated procurement services	195
Department of the Attorney General – provision of bureau / other shared services	12,790
Treasury / Housing & Works (Commercial Property Branch) – notional management fee	32

DEPARTMENT OF CORRECTIVE SERVICES**Notes TO FINANCIAL STATEMENTS**

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

	2006 \$'000
Department of Land Information – services for valuation services, land registration and information	130
Health Department of Western Australia – provision of medical, health, dental services and forensic services for post mortems.	568
	13,715

- (1) Service appropriations are accrual amounts reflecting the full price cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (2) The assumption of the superannuation liability by the Treasurer is only a notional revenue to offset the notional superannuation expense reported in respect of current employees who are members of the pension scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation scheme.
- (3) Where assets or services have been received free of charge or for nominal consideration, the Department recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

18 Restricted cash and cash equivalents

	2006 \$'000
NON CURRENT	
Accrued salaries suspense account	567
	567

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

19 Receivables

	2006 \$'000
CURRENT	
Trade debtors	692
GST receivable	2,191
Prepayments	174
	3,057

The Department does not have any significant exposure to any individual customer or counterparty.

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

20 Amounts receivable for services

	2006 \$'000
Current	19,311
Non-current	14,044
	33,355

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

21 Property, plant, equipment & vehicles

	2006 \$'000
LAND	
At fair value (1)	67,919
	67,919
BUILDINGS	
At fair value (1)	652,359
Accumulated depreciation	(150,751)
	501,608
LEASEHOLD IMPROVEMENTS	
At cost	3,796
Accumulated depreciation	(1,739)
	2,057
PROPERTY, PLANT, EQUIPMENT & VEHICLES	
At cost	13,866
Accumulated depreciation	(8,040)
	5,826
WORK IN PROGRESS	
Buildings	16,194
IT systems	9,893
	26,087
Total property, plant, equipment & vehicles	603,497

DEPARTMENT OF CORRECTIVE SERVICES**Notes TO FINANCIAL STATEMENTS**

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

(1) The revaluation of land and buildings was performed during the year ended 30 June 2006 in accordance with an independent valuation by the Department of Land Information. Fair value of land has been determined on the basis of current market buying values. The fair value of buildings has been determined by reference to the current replacement cost as the buildings are specialised and no market evidence is available. The valuations were made in accordance with a regular policy of annual revaluation.

Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the current and previous financial year are set out below.

	2006 \$'000
LAND	
Carrying amount at beginning of year	—
Additions	—
Disposals	—
Distribution from owner	56,278
Revaluation increments	11,641
Carrying amount at end of year	67,919
BUILDINGS	
Carrying amount at beginning of year	—
Additions	3,919
Disposals	—
Distribution from owner	438,855
Revaluation increments	64,254
Depreciation	(5,420)
Carrying amount at end of year	501,608
LEASEHOLD IMPROVEMENTS	
Carrying amount at beginning of year	—
Additions	430
Distribution from owner	1,760
Depreciation	(133)
Carrying amount at end of year	2,057
PROPERTY, PLANT, EQUIPMENT & VEHICLES	
Carrying amount at beginning of year	—
Additions	1,113
Disposals	(54)
Distribution from owner	5,145

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

	2006 \$'000
Depreciation	(378)
Carrying amount at end of year	5,826
WORK IN PROGRESS	
Carrying amount at beginning of year	—
Additions	15,427
Distribution from owner	14,579
Transfers to non current assets	(3,919)
Carrying amount at end of year	26,087

22 Intangible assets**COMPUTER SOFTWARE**

At cost	10,924
Accumulated amortisation	(10,756)
	168

Reconciliations

Reconciliations of the carrying amounts of Intangible assets at the beginning and end of the current and previous financial year are set out below.

	2006 \$'000
IT SYSTEMS	
Carrying amount at beginning of year	—
Additions	—
Disposals	—
Distribution from owner	197
Amortisation	(29)
Carrying amount at end of year	168

23 Payables**CURRENT**

Trade and other creditors	18,119
---------------------------	--------

24 Provisions**CURRENT****EMPLOYEE BENEFITS PROVISION**

Annual leave	14,509
Long service leave	18,500
Superannuation on-cost	3,285
	36,294

DEPARTMENT OF CORRECTIVE SERVICES**Notes TO FINANCIAL STATEMENTS**

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

2006
\$'000**OTHER PROVISIONS****EMPLOYMENT ON-COST PROVISION**

Carrying amount at start of year	—
Additional provisions recognised	742
Carrying amount at end of year	742
	37,036

NON-CURRENT**EMPLOYEE BENEFITS PROVISION**

Long service leave	10,818
Superannuation on-cost	1,157
	11,975

OTHER PROVISIONS

Employment on-cost provision	
Carrying amount at start of year	—
Additional provisions recognised	434
Carrying amount at end of year	434
	12,409

25 Other current liabilities**CURRENT**

Accrued salaries and wages	1,862
Accrued interest	—
	1,862

The last pay day of the 2005/2006 financial year was on 29 June 2006. A salary accrual of 1 working day was required to be taken up.

Accrued salaries and wages are settled within a few days of the financial year end. The carrying amount is equivalent to the net fair value.

As part of the Public Service General Agreement, a 4.5% salary increase for all PSGA employees was effective from the first pay period commencing 26 February 2006. As none of this remuneration had been paid as at 30 June 2006, a salary accrual was taken up.

26 Equity

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

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

The asset revaluation reserve represents that portion of equity from the revaluation of non-current assets.

Distribution from Government

The following Department of Justice assets and liabilities were distributed from Government for transfer to the Department of Corrective Services. Refer to Note 1.

	2006 \$'000
ASSETS	
Cash Transfer	14,500
Prepayments	10
Amount receivable for services – current	14,106
Land	56,278
Buildings	438,855
Leasehold improvement	2,094
Motor vehicles	1,183
Plant and equipment	3,899
Intangibles	198
Work in progress	14,579
Amount receivable for services – non-current	18,230
	563,932
LIABILITIES	
Capital user charge	2,977
Annual leave	15,067
Long service leave – current	20,624
Long service leave – non-current	8,519
	47,187
Net Distribution from Government	516,745

Contributed equity

Balance at the start of the year	—
Capital contributions	14,532
Distributions from owner	516,745
Balance at the end of the year	531,277

Distributions from owner represents assets and liabilities distributed as a result of the transfer of the custodial functions from the Department of Justice to the Department of Corrective Services.

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

2006
\$'000**Reserves****ASSET REVALUATION RESERVE****LAND**

Balance at the start of the year	—
Net revaluation increment	11,641
Balance at the end of the year	11,641

BUILDINGS

Balance at the start of the year	—
Net revaluation increment	64,254
Balance at the end of the year	64,254
Total asset revaluation reserve	75,895

The asset revaluation reserve represents revaluations of assets (transferred from the Department of the Attorney General) since the Department of Corrective Services was created on 1 February 2006. The reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy Note 3 (j).

ACCUMULATED SURPLUS/(DEFICIENCY)

Balance at the start of the year	—
Operating (Deficit) / surplus	(19,621)
Balance at the end of the year	(19,621)

Total equity**587,551****27 Notes to the Cash Flow Statement****(a) Reconciliation of cash**

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents – operating account	16,068
Cash and cash equivalents – permanent and temporary advances	265
	16,333
Restricted cash and cash equivalents (Note 18)	567
	16,900

(b) Non-cash financing and investing activities

During the financial year, there were no assets/liabilities transferred/assumed to/from other government agencies not reflected in the Cash Flow Statement.

DEPARTMENT OF CORRECTIVE SERVICES**Notes TO FINANCIAL STATEMENTS**

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

From 1 July 2000 the Government Employees Superannuation Board (GESB) assumed responsibility for the administration of the Judges' Pension Scheme. Under the new arrangement, the GESB initially incur the cost of the pensions and then recoup the amount from the Consolidated Fund (Treasury). The liability transferred to Treasury is not reflected in the Cash Flow Statement.

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

	2006
	\$'000
NET COST OF SERVICES (INCOME STATEMENT)	(194,080)
NON-CASH ITEMS:	
Depreciation and amortisation expense	5,960
Superannuation	553
Resources received free of charge	13,715
Net (gain)/loss on sale of property	9
Distribution from owner	3,284
(INCREASE)/DECREASE IN ASSETS:	
Receivables	(3,047)
INCREASE/(DECREASE) IN LIABILITIES:	
Payables	18,119
Provisions	1,952
Other current liabilities	(1,116)
Net cash provided by/(used in) operating activities	(154,651)

(d) At the reporting date, the Department had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

28 Resources provided free of charge

During the year, the following resources were provided to other agencies free of charge:

Department of the Attorney General for the court security component of the CSCS contract.	7,314
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29 Commitments for expenditure**(a) Capital expenditure commitments**

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year	79,327
Later than 1 year and not later than 5 years	72,920
	152,247

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

2006
\$'000

THE CAPITAL COMMITMENTS INCLUDE AMOUNTS FOR:

Land and buildings	121,916
Other	30,331
	152,247

(b) Lease commitments

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

Within 1 year	4,365
Later than 1 year and not later than 5 years	7,082
Later than 5 years	135
	11,582

NON CANCELLABLE OPERATING LEASES

The Department leases certain premises, motor vehicles and items of plant and office equipment. The lease expenditure is expensed as it is incurred. At the reporting date the Department had the following obligations under operating leases.

Within 1 year	4,365
Later than 1 year and not later than 5 years	7,082
Later than 5 years	135
	11,582

(c) Other expenditure commitments

Contracted for at the reporting date but not recognised as liabilities are as follows:

Within 1 year	53,127
Later than 1 year and not later than 5 years	174,820
	227,947

Other expenditure commitments include the Acacia Prison contract.

30 Contingent liabilities

In addition to the liabilities incorporated into the financial statements the Department has the following contingent liabilities.

LITIGATIONS IN PROGRESS

Claims against the Department of Corrective Services from the general public and offenders.	150
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DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

31 Remuneration and retirement benefits of senior officers

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

	2006
\$ 30,001 - \$ 40,000	1
\$ 40,001 - \$ 50,000	1
\$ 60,001 - \$ 70,000	1
\$ 70,001 - \$ 80,001	1
\$ 80,001 - \$ 90,000	1
\$ 90,001 - \$ 100,000	1
	6
	2006
	\$'000
The total remuneration of senior officers is:	393

Senior officers are those who take part in the management of the organisation. Deemed to be Director General, Executive Directors and other Divisional heads.

The superannuation included here represents the superannuation expense incurred by the Department in respect of senior officers.

No senior officers are members of the *Superannuation and Family Benefits Act Scheme* (Pension Scheme).

The remuneration is for a period of 5 months and dates from the creation of the Department of Corrective Services on 1st February 2006.

32 Related bodies

The Department had no related bodies during the financial year.

33 Supplementary financial information**Write-Offs**

Revenue and debts to the State written off in accordance with Section 45 of the *Financial Administration and Audit Act*.

	2006 \$'000
Accountable Officer	2
Minister	—
Total losses and write-offs	\$2

Losses through theft, defaults and other causes

Losses of public moneys and property through theft, default or otherwise not covered by insurance.	—
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DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

34 Remuneration of Auditor

Remuneration to the Auditor General for the financial year is as follows:

	2006 \$'000
Auditing the financial statements and performance indicators	25

35 Disclosure in accordance with AAS 29 12.8

Where activities are transferred from one Government Department to another Government Department, the transferee Government Department must disclose the expenses and revenues attributable to the transferred activities for the reporting period, showing separately those expenses and revenues recognised by the transferor Government Department during the reporting period.

The following is a record of expenses and revenues recognised by the transferor Department, the Department of the Attorney General, for the period 1 July 2005 to 31 January 2006.

	2006 \$'000
COST OF SERVICES	
EXPENSES	
Employee benefits expenses	112,046
Supplies and services	52,374
Depreciation and amortisation	9,440
Accommodation expenses	2,226
Grants and subsidies	2,656
Capital user charge	20,838
Other expenses	26,640
Loss on disposal of non-current assets	18
Total cost of services	226,238
INCOME	
User charges and fees	31
Commonwealth grants and contributions	332
Other revenues	7,478
Total income other than income from State Government	7,841
NET COST OF SERVICES	218,397
INCOME FROM STATE GOVERNMENT	
Service appropriations	224,637
Liabilities assumed by the Treasurer	438
Resources received free of charge	1,421
Total income from State Government	226,496

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

36 Financial Instruments**(a) Interest rate risk exposure**

The Department's exposure to interest rate risk, repricing maturities and the weighted average interest rates on financial instruments at balance date are as follows:

2006	Weighted average interest rate %	Floating interest rate \$'000	Fixed interest rate maturities			Non interest bearing \$'000	Total \$'000
			1 year or less \$'000	2 to 5 years \$'000	Over 5 years \$'000		
FINANCIAL ASSETS							
Cash and cash equivalents						16,333	16,333
Restricted cash and cash equivalents						567	567
Receivables						3,057	3,057
Amounts receivable for services						33,355	33,355
Total financial assets		—	—	—	—	53,312	53,312
LIABILITIES							
Payables						18,119	18,119
Total financial liabilities		—	—	—	—	18,119	18,119
Net financial asset/(liabilities)		—	—	—	—	35,193	35,193

(b) Credit risk exposure

All financial assets are unsecured.

Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets the carrying amounts represents the Department's maximum exposure to credit risk in relation to those assets.

(c) Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in Note 3 to the financial statements.

DEPARTMENT OF CORRECTIVE SERVICES**Notes TO FINANCIAL STATEMENTS**

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

37 Explanatory statement

The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditure and revenue estimates and payments into the Consolidated Fund, on an accrual basis.

The following explanations are provided in accordance with Treasurer's Instruction 945. Significant variations are considered to be those greater than 5% and \$300,000.

(a) Details of authorisation to expend in advance of appropriation

To meet initiatives approved during the financial year and other unavoidable costs, supplementary appropriation requests were approved.

	2006 \$'000
Delivery of services	13,228
Capital contribution	2,595
	15,823
DELIVERY OF SERVICES APPROPRIATION LIMITS WERE INCREASED FOR:	
Prison Officers' EBA	4,006
CUC final	1,671
PathWest transfer of funds from Health	1,131
Prison population – additional funding	1,280
Reflows to existing program – expensed capital	1,000
Expensed capital final	988
Mahoney Recommendation 51a – CCOs/JJOs	941
Mahoney Recommendation 14 & 15 – Intelligence	912
Mahoney Recommendation 20 – Case management	496
Mahoney Recommendation 35 – Integrated management	274
Reflows to existing program – Depreciation	266
Mahoney Recommendation 59 – Workforce planning	193
Mahoney Recommendation 54 – Review staff safety	148
Mahoney Recommendation 134 – Training/professional development	124
Mahoney Recommendation 50 – CJS core operational training	72
Mahoney Recommendation 51b – Central breach unit	70
Mahoney Recommendation 49 – Reduce contractors	34
Mahoney Recommendation 47 – CCO specialisation	30
THESE INCREASES WERE OFFSET BY:	
Depreciation adjustment final	(365)
Adjustment to reflect actual position	(43)
Increase in net amount appropriated to deliver outputs	13,228

DEPARTMENT OF CORRECTIVE SERVICES

Notes TO FINANCIAL STATEMENTS

FOR THE FIVE MONTHS ENDED 30 JUNE 2006

(b) Significant variations between actual expenditure and budget estimates for 2005/20062006
\$'000**RECURRENT**

Service 1 - Adult Criminal Justice Services	Excess	43,461
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Increase in expenditure mainly due to increased costs associated with court security and custodial services, higher prison running costs, and increased health and safety costs in prisons.

Service 2 - Juvenile Criminal Justice Services	Excess	4,002
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Increase in expenditure mainly due to additional costs of operating custodial services.

(c) Significant variations between actual outputs for the financial year and outputs for the immediately preceding financial year

Due to the split of the Department of Justice into the Department of the Attorney General and the Department of Corrective Services on 1 February 2006, no comparative information is available. Therefore no explanations on variations have been provided.

38 Trust and Treasurer's Advance Accounts

Account	Opening Balance \$'000's	2005-06		Closing Balance \$'000's
		Receipts \$'000's	Payments \$'000's	
1 Prisoners' Private Cash Trust Account*	—	2,949	2,770	179
2 Juveniles' Private Cash Trust Account	—	2	0	2

* This does not include Acacia Prison which is managed under contract by AIMS Corporation

1 Prisoners' Private Cash Trust Account

To hold monies for and on behalf of prisoners.

2 Juveniles' Private Cash Trust Account

To hold monies in trust for children under the care of the Juvenile Justice Program

KEY PERFORMANCE INDICATORS

Statement of Certification

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Department of Corrective Services and fairly represent the performance of the Department of Corrective Services for the five months ended 30 June 2006.



Graeme Doyle

CHIEF FINANCE OFFICER
Department of Corrective Services
18 September 2006



Ian Johnson

COMMISSIONER
Department of Corrective Services
18 September 2006

Change in reporting

There has been a major change in the way the Department reports on its performance in 2005/2006. After reviewing its output based management structure and key performance indicators (KPIs) in 2004, the then Department of Justice rationalised key performance indicators.

A revised suite of KPIs, consistent with the outcome-based management framework, was adopted. This approach was referred to the Justice System Framework (JSF) and recognised cross-divisional and interagency influences. It also provided a high-level view of the justice system and streamlined the Department's reporting responsibilities.

The new approach also streamlines and focuses internal management processes within the agency whilst ensuring a consistent reporting regime is adopted not only internally but also externally, particularly with the Budget Statements and the Report on Government Services.

Relationship to Government goals

Broad, high-level Government goals are supported at Department level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcomes and the most appropriate Government goal. The following table illustrates this relationship.

Government Goal	Agency Desired Outcome	Services
People and Communities To enhance the quality of life and wellbeing of all people throughout Western Australia.	The right to justice and safety for all people in Western Australia is preserved and enhanced.	1*. Adult criminal justice services 2*. Juvenile criminal justice services * Services were part of the Department of Justice before the separation of services on 1 February 2006.

Adult Offenders

The custody, containment, care, well-being and rehabilitation of offenders and their re-entry into the community is a critical element affecting the community's sense of safety and security. The quality and effectiveness of Western Australia's prison system and the rehabilitation programs it offers has a direct bearing on the perception of a safe and orderly community.

Service 1 – Adult Criminal Justice Services

Service description:

Adult offenders are managed in custody and in the community to fulfil the orders of the courts and releasing authorities. This is achieved through providing case management, remedial programs, further education and employment skills, sentencing reports, assessment reports outlining an offender's suitability for release or their progress in the community to releasing authorities such as the Parole Board, providing policy and advice and collaborating with other agencies.

Effectiveness indicators:

1.1 Abscond/escape rate

This indicator measures the abscond/escape rate for prisoners in the custody of prisons, by security rating – maximum, medium and minimum. It is a measure of the protection provided to the community through safe and secure custodial systems. It is also indicative of effective management and assessment policies and practices.

The indicator is derived by calculating the number of absconds/escapes, by security rating, as a percent of the daily average population.

The abscond/escape rate is continuing to show a yearly downward trend, indicating ongoing improved performance in this area. In 2005/2006 there were 34 absconds/escapes, all of which were minimum security.

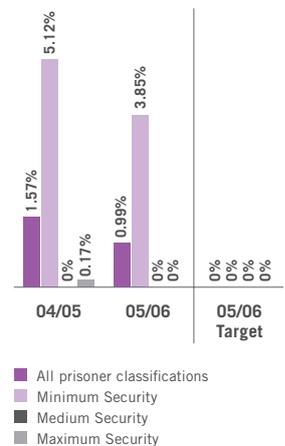
1.2 Imprisonment rate – adults / 100,000 population

This performance indicator measures the number of prisoners per 100,000 people in the corresponding adult population. It highlights the extent to which the Department is achieving its aim of contributing to reduced rates of imprisonment. However, care should be taken when interpreting this indicator as imprisonment rates are also impacted by police operations, court efficiency and other welfare services.

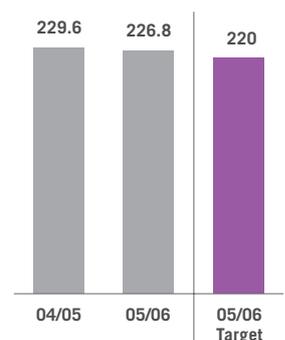
This indicator is calculated by the Australian Bureau of Statistics (ABS). The Department of Corrective Services provide prisoner population data to the ABS which calculates the rate based on national population estimates. It is then published in Corrective Services Australia (Cat 4512.0) each quarter.

Assumptions apply to the estimated resident population (ERP) that the ABS use to calculate the imprisonment rates. The population used to calculate the rates is a sub-population of the ERP and further assumptions therefore also apply.

Abscond/escape rate



Imprisonment rate – adults / 100,000 population



The assumptions underpinning the ERP can be found in the explanatory notes of the ABS publication *Australian Demographic Statistics* (Cat 3101.0), the additional assumptions underpinning the population subset used in the calculation of the rates can be found in the explanatory notes of *Corrective Services Australia* (Cat 4512.0).

There is a three-month lag between the publication of the ABS report and the Department's reporting requirement. The June quarter figures are not available in time for the Department's annual reporting process and as a result, March quarter figures are used each year.

1.3 Rate of return – adults

The rate of return is defined as the rate of return to the offender management system, by distinct adult offenders, within two years of release from custody or the termination of a community-based order.

Changes in the rate of re-offending provide some indication of the effectiveness of personal development activities and rehabilitation programs but effectiveness also depends on other factors such as sentencing legislation, changes in the nature of offences committed, the rate at which community orders are breached for non-compliance, and factors outside the direct control of the department such as policing practices, housing availability and other social issues.

Research has shown offenders are most likely to re-offend within two years of their release from corrective services. The two-year cut-off period is consistent with standards developed by all national correctional jurisdictions and the independent review and advisory body, the Industry Commission.

To be consistent with the national standards, the rate of re-offending excludes fine default sentences, exits to and commencements of post-prison community corrections orders, conditional/monitored bail orders and work and development orders.

This indicator has shown little variation from the previous financial year and is marginally above the target for 2005/2006.

Note: Distinct offender means an offender is counted only once, even if the offender re-enters the justice system several times.

1.4 Successful completion of community corrections orders – adults

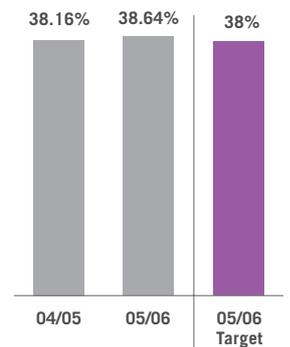
This indicator measures the completion rate of community corrections orders. It is an indicator of offenders' responsible and law-abiding behaviour while under the supervision of the Department of Corrective Services.

Generally, the higher the completion rate the better the performance. However where offenders are non-compliant and pose a risk, breach action is warranted and contributes to community safety. As a result, a decrease in the completion rate may not necessarily be poor performance. It may reflect tighter responses to breaches by offenders and in fact may reflect more accountable supervision practices by community corrections officers.

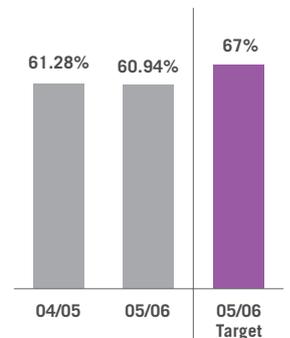
Orders are considered successfully completed if they run their full course without breach action finalised or pending. Types of community corrections orders include:

- Intensive supervision – community-based
- CEO parole

Rate of return – adults



Successful completion of community corrections orders – adults



- Parole
- Work release
- Re-entry
- Conditional bail
- Monitored bail
- Pre-sentence
- Work and development.

Intensive supervision and community-based orders were established as a result of the *Sentencing Act in 1996* to replace probation and community service orders. CEO parole and re-entry orders (which replace the work release orders), as well as pre-sentence orders, were established as a result of the Sentencing Legislation effective from August 2004. Home detention bail and community bail were replaced by monitored bail and conditional bail.

The indicator is derived by calculating the number of orders completed as a proportion of all orders validly terminated, completed or expired.

Despite not reaching the target for 2005/2006, the successful completion of community corrections orders has remained relatively stable over recent years.

Efficiency indicators:

1.5 Cost per day of keeping an offender in custody

This indicator measures the full accrual cost of managing an adult offender in custody per day. It is calculated by dividing the total accrual cost of managing an adult offender in custody by the daily average number of adult offenders, divided by 365 days.

The actual cost of keeping an offender in custody is higher than the target and against the previous year. This reflects additional demands in managing the adult prison system for 2005/2006.

Note: The 2004/2005 figure has been adjusted to present the measure on the same basis as the current year.

1.6 Cost per day of managing an offender through community supervision

This indicator measures the unit cost of managing an adult offender per day through community supervision. It is calculated by dividing the total accrual cost of managing an adult offender through community supervision by the daily average number of offenders supervised, divided by 365 days.

The total cost per person per day is 10.57% greater than the original budget target. This is mainly attributable to additional costs required to implement Mahoney initiatives and the Reducing Aboriginal Imprisonment initiative. Other expenses such as additional corporate expense charges and a realignment of leave provisions also contributed to the increase in 2005/2006.

Note: The 2004/2005 figure has been adjusted to present the measure on the same basis as the current year.

Cost per day of keeping an offender in custody



Cost per day of managing an offender through community supervision



Juvenile Offenders

Service 2 – Juvenile Criminal Justice Services

Service description:

Juvenile offenders are managed in detention and in the community to fulfil the orders of the courts and through diversion from court programs. Juveniles participate in remedial, educational and rehabilitation programs that address their offending behaviour.

Effectiveness indicators:

2.1 Rate of return to detention – juveniles

The rate of return to detention is defined as the proportion of juvenile offenders who return to sentenced detention within two years of release from sentenced detention. This indicator is measured over two previous financial years.

The rate of return to detention provides an indication of the effectiveness of personal development activities and rehabilitation programs. The rate of return to detention is also dependent on other factors such as sentencing legislation, changes in the nature of offences committed and the rate at which offenders on community orders are breached for non-compliance.

Note: A detainee is counted only once, even if the detainee re-enters the system several times.

An improvement in the rate of return to detention was recorded over the previous year and against the target. However it should be noted that due to the small number of juveniles involved in calculating the rate of return to detention, an increase or decrease in the juvenile population has a significant impact on the rate.

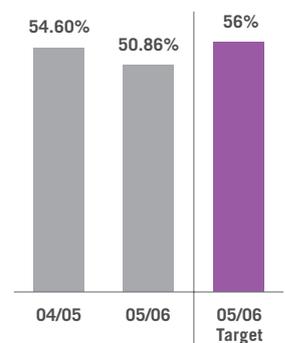
2.2 Escape rate – juveniles

This indicator measures the escape rate from all juvenile detention centres. It is a measure of the protection provided to the community through the provision of safe and secure custodial systems. It is also indicative of effective management and assessment policies and practices.

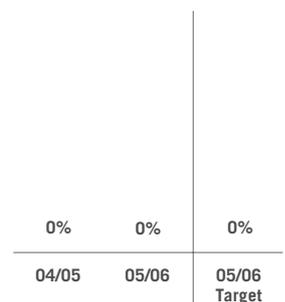
This indicator is derived by calculating the number of escapes as a percent of the daily average population.

The juvenile escape rate is reported according to national adult correctional standards and the 2005/2006 figure has remained on target.

Rate of return to detention – juveniles



Escape rate – juveniles



2.3 Successful completion of community corrections orders – juveniles

This indicator measures orders having run their full course without breach action finalised or pending. It provides an indication of the completion rate of community corrections orders, and an offender's responsible and law-abiding behaviour while under the supervision of the Department of Corrective Services.

Generally the higher the completion rate the better the performance. However, as in the adult system, where offenders are non-compliant and pose a risk, breach action can be warranted which, when actioned contributes to community safety. As a result, a decrease in the completion rate may not necessarily indicate poor performance but may reflect more stringent supervision of offenders.

It is derived by calculating the number of orders successfully completed as a proportion of all orders validly terminated, completed or expired.

Types of community corrections orders include:

- Youth community-based
- Intensive youth supervision
- Intensive youth supervision (with detention)
- Supervised release orders.

Despite not reaching the target by just under 4%, the successful completion of community correction orders has remained quite stable over recent years.

Efficiency indicators:

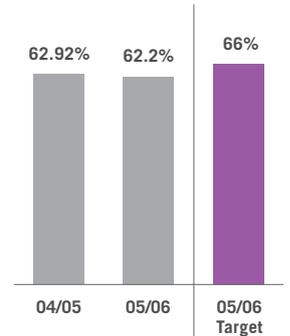
2.4 Cost per day of keeping a juvenile in detention

This indicator measures the unit cost per day of managing a juvenile offender in detention. It is calculated by dividing the total accrual cost of managing a juvenile offender in detention by the daily average population, divided by 365 days.

The 2005/2006 cost per juvenile per day in detention is 21.67% higher than the target for this financial year. The daily average juvenile population for 2005/2006 is 121, which is 15.38% lower than the budget forecast. The daily average population decrease along with increased expenditure due to a realignment of leave provisions, additional charges resulting from the split in the department and additional expenses in implementing Mahoney initiatives contributed to the higher actual cost of juvenile management.

Note: The 2004/2005 figure has been adjusted to present the measure on the same basis as the current year.

Successful completion of community corrections orders – juveniles



Cost per day of keeping a juvenile in detention



2.5 Cost per day of managing a juvenile offender through community supervision

This indicator is calculated by dividing the total accrual cost of managing a juvenile offender through community supervision by the daily average number of offenders supervised, divided by 365 days.

The reported actual total cost of output per person per day is 18.91% less than the original budget target. This can be largely attributed to an 18.13% increase of juveniles supervised in the community within the 2005/2006 financial year.

Note: The 2004/2005 figure has been adjusted to present the measure on the same basis as the current year.

Cost per day of managing a juvenile offender through community supervision



APPENDIX

Appendix I – Legislation

Legislation administered by the Department of Corrective Services:

Prisoners (International Transfer) Act 2000

Prisoners (Interstate Transfer) Act 1983

Prisons Act 1981

Sentence Administration Act 2003 (Act, other than Pt. 2 Div. 3 and 4, Pt. 3, s. 72(2), 73 & 74, Pt. 9 & Sch. 1)

Young Offenders Act 1994

FEEDBACK FORM

The Department of Corrective Services welcomes your feedback about the 2005/2006 annual report. Your comments will help us to improve future reports.

How do you rate the annual report overall?

- Excellent Very good Good Average Poor

How do you rate the overall content of the report?

- Excellent Very good Good Average Poor

How do you rate the style of writing the report?

- Excellent Very good Good Average Poor

How do you rate the overall design of the report?

- Excellent Very good Good Average Poor

How do you rate the ease of navigation of the report?

- Excellent Very good Good Average Poor

Please list any aspects of the report that you found particularly good

Please list any aspects of the report that you found particularly poor

Please list any ways that the report could be improved

Other comments

Submit your feedback to Public Affairs

Department of Corrective Services
 141 St Georges Terrace
 Perth 6000