

**STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

2014–15 ANNUAL REPORT HEARINGS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
MONDAY, 7 DECEMBER 2015**

**SESSION TWO
DEPARTMENT OF CORRECTIVE SERVICES**

Members

**Hon Ken Travers (Chair)
Hon Peter Katsambanis (Deputy Chair)
Hon Liz Behjat
Hon Alanna Clohesy
Hon Rick Mazza**

Hearing commenced at 1.32 pm**Mr JAMES McMAHON****Commissioner of Corrective Services, examined:****Mr SHAYNE MAINES****Deputy Commissioner, Adult Justice Services, examined:****Ms MALA DHARMANANDA****Executive Director, Office of Reform, examined:****Mr TONY HASSALL****Executive Director, Operational Services, examined:****Mr DAMIEN STEWART****Executive Director, Corporate Support, examined:**

The CHAIR: On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I would like to welcome you to today's hearing. Can the witnesses confirm that they have read, understood and signed the document headed "Information for Witnesses"?

The Witnesses: Yes.

The CHAIR: Witnesses need to be aware of the severe penalties that apply to persons providing false or misleading testimony to a parliamentary committee. It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private either of its own motion or at the witness's request. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. Government agencies and departments have an important role and duty in assisting Parliament to review agency outcomes on behalf of the people of Western Australia, and the committee values your assistance with this.

Do any of the witnesses wish to make an opening statement?

Mr McMahon: Chairman, I would like to make a couple of opening statements, if I may. First of all, the last time I was here for this committee was two years ago, and from that period we have moved into a reform process. I am pleased today to have my corporate executive here. I have brought in the full corporate executive, except for Rachael Green, who is the deputy commissioner of youth justice. I think you will recall that we said we would do some of the structural reforms, which effectively started in the Marney inquiry, to bring together adult, which has custody, community and programs; youth, which has the same; operational services; and corporate support. I started out with 11 direct reports, but I am now down to five. In doing that, I also commissioned under that structure an office of reform that supports me directly in strategic issues, legislative issues et cetera. Mala Dharmananda here is that person; she is the chief of staff and also my deputy. As you know, I also have to run the major operational divisions with two deputy commissioners. That has been a major change, and we will have that fully manned by around February–March next year.

In terms of the annual report, overall our results are pleasing in terms of our mission, which is all about community safety. When I look at how I define community safety, I look at security, safety of

our staff, safety of our offenders and also rehabilitation. In terms of security, you will note that our escapes have come down 40 per cent. Most pleasing, though, is that our maximums were zero and our mediums were only one. That is in stark contrast to previous years. For the lower end, the minimums, it is approximately the same, but at the higher end, that was a pleasing result from a safety of the community perspective. In terms of assaults on both staff and assaults on offenders and prisoners, so prisoners on staff and prisoners on fellow prisoners, effectively there are some results there that we can improve on, but overall the total assaults in both categories has come down—some slight, but it is still an improvement from that perspective. From a rehabilitative perspective in the adult estate, prison to prison it is down around seven per cent. You will note, coming back to corrections, the figure is about five per cent. In the youth estate, the figures are pleasing and moving in the right way. The detention figures that I have got show that we are down. As at Saturday, we were down at 114 young people in detention; a year ago we were at 164. That is around 50 fewer, and, as you know, with the riot in January 2013, the population was around 206. I know that is out of the reporting period, but it gives you a view of the trend and where we are heading. In the cost of our service we have improved slightly; we have more to do there. You will note that one of the big figures is that we have come down to our cost of holding someone in prison from \$334 a day last year to \$332. It is a small downward movement. However, you need to put that in context, if I may, with the fact that our prison population over the period has gone up 7.4 per cent, and we are still under the current EBA, which, as you know, was a 14.5 per cent increase. Prison officer staffing is our biggest cost in terms of our delivery of service. To put it in context, it is a relatively good result. Overall, I just wanted to state that we still have major reforms to do that my minister is obviously commissioning, but in terms of our major objective—our number one objective—safety of the community, through security and rehabilitation we are moving the right way. That does not mean we have got where we need to get to, but we are moving the right way, which is pleasing. That is all I have got, Chair.

The CHAIR: Thank you.

Hon ALANNA CLOHESY: I want to look specifically at the prison population. You have got some figures in the annual report for the financial year of total intake—that is, total population. I wonder if I could get that for the calendar year, because sometimes that is useful to compare with what we were previously given. The committee was previously given data in relation to prison population as at 31 December 2013. I wonder if that data is still available for 31 December 2014. So, I would like the total prison population and then the proportion by specific categories.

[1.40 pm]

Mr McMahon: The annual report, which is what we are doing, is by financial year. There is no reason we cannot provide that data to you, but I am just saying we are here to do it from financial year to financial year.

Hon ALANNA CLOHESY: It relates to the annual report, but it also relates more broadly to the agency and its work, which also is covered under these hearings. We have received the data previously as well. The total prison population as at 31 December, the total receptions—I understand it is called receptions—for the calendar year 2014, the proportion of the prison population that are female and male, and the proportion that are Aboriginal female and male is standard data. We might put that in.

Mr McMahon: We can put that in a question; that is fine. We can cut that.

[*Supplementary Information No B1.*]

Hon ALANNA CLOHESY: Still on the prison population, not that I could see, but could you point to me in the annual report, if it is there, the proportion of the current prison population that has an intellectual disability.

Mr McMahon: We will take that on notice.

Hon ALANNA CLOHESY: What date will that be?

Mr McMahon: What date would you like?

Hon ALANNA CLOHESY: The same as that data—1 December.

Mr McMahon: That makes sense.

Hon ALANNA CLOHESY: Could I have that as a comparison with the calendar year before?

Mr McMahon: Yes.

[*Supplementary Information No B2.*]

Hon ALANNA CLOHESY: In relation to prisoners who have an intellectual disability, how does the department take that definition? I am particularly interested in whether that includes a cognitive impairment, specifically people who have sustained a traumatic brain injury. Do your numbers for people with an intellectual disability include people with a brain injury?

Mr Hassall: We have an assessment tool. I will take the question on notice so I make sure that I give you accurate information on what the tool assesses, because I would not want to give you inaccurate information. I know we have a tool to assess.

Hon ALANNA CLOHESY: In providing that information, could you also provide data in relation to people with a mental illness?

Mr Hassall: For the same calendar year?

Hon ALANNA CLOHESY: Two calendar years.

Mr Hassall: So 2013 and 2014.

Hon ALANNA CLOHESY: If it is easier to give it to me in financial year, that is fine, too. I have never asked that one before.

[*Supplementary Information No B3.*]

Hon ALANNA CLOHESY: Still on the prison population, what was the prison population of Bandyup in 2014 and 2013? You do not know that?

Mr Maines: I could not give that to you off the top of my head. I could tell you the prison population today.

Hon ALANNA CLOHESY: Yes; okay.

Mr Maines: It is 322.

Hon ALANNA CLOHESY: Can I take on notice —

Mr Maines: For 2013 and 2014?

Hon ALANNA CLOHESY: Correct.

Mr Maines: At the end of the calendar year, so 31 December 2014 and 31 December 2013?

Hon ALANNA CLOHESY: Yes. What was the intake for Bandyup this year, or reception I think you call it, do you not?

Mr McMahon: Reception.

Mr Maines: I cannot give you the actual details. I would have to take that on notice.

[*Supplementary Information No B5.*]

Hon ALANNA CLOHESY: You might want to add this to B5, but what proportion of the population are Aboriginal women?

Mr Maines: Yes, I can provide all of those details. I can provide that breakdown for you; I just do not have it with me.

The CHAIR: That is all part of B5.

Hon ALANNA CLOHESY: Can I just for the record add the different demographics that I am interested in?

Mr Maines: Sure.

Hon ALANNA CLOHESY: What proportion are Aboriginal women, what proportion have an identified mental illness, what proportion have an intellectual disability—sorry; proportion and numbers—what proportion have identified that they are survivors of domestic assault —

Mr Maines: May I ask a question? Could I get some narrowing? Is that a victim of a domestic violence assault?

Hon ALANNA CLOHESY: Survivor.

Mr Maines: Does that mean an attempted murder? I am just trying to get some clarity of the nature of it, because domestic violence comes in many forms, as I am sure you are aware. I am not sure how you would like me to categorise a survivor of a domestic assault.

Hon ALANNA CLOHESY: I will get to that proportion that have been charged as a result of causing domestic violence—either a homicide or serious assault, so those who are considered perpetrators of domestic violence. This question is specifically about those inmates who have identified that they have been victims of domestic assault by different demographics—whatever data you have got on that. In addition to that, there is the proportion of the prison population that have been convicted of a domestic violence–related crime by type of crime.

Mr Maines: That is the entire prison population?

Hon ALANNA CLOHESY: At Bandyup.

Mr Maines: Just at Bandyup?

Hon ALANNA CLOHESY: Yes.

The CHAIR: That is all supplementary information B5.

Hon ALANNA CLOHESY: You told me that the number of inmates at Bandyup today was 322. How many beds are in Bandyup?

Mr Maines: I think we have 394 beds in total.

Hon ALANNA CLOHESY: In the last 12 months, how many nights and how many inmates have had to sleep in accommodation other than in a bed designated as a total bed in Bandyup?

Mr Maines: Twelve months as of today and going back 12 months or —

Hon ALANNA CLOHESY: How have you got the data?

Mr Maines: I would have to go back, but I can tell you that there are no women in Bandyup sleeping on anything other than a bed.

Hon ALANNA CLOHESY: Tonight. Has there been an occasion where they have slept on mattresses on the floor in the last 12 months?

Mr Maines: I am not sure in the last 12 months. I would have to check the dates. I am sorry, I do not have the dates.

Mr McMahon: Could I add some clarity around that? The OICS report brought up women sleeping on beds. When I went out to Bandyup when I first got here, we went on to increase the beds. That is 394 total beds. In terms of general purpose, it is around 375. I will say that approximately. We did that because I made a commitment out there that no-one would be sleeping on the ground anymore. I know we have achieved that. From that report, we went out there. We did the beds ourselves. My best knowledge is we got to a date where there were no women sleeping on the floor anymore

and we solved that problem relatively quickly once it was raised with us, and that is where we have been today.

Hon ALANNA CLOHESY: What did you say—an extra 70 beds were put in?

[1.50 pm]

Mr McMahon: Yes, it is approximately 70 that we put in—75 I think—and when we say “total beds”, that includes the management beds as well, so that is why I know that. But 375 is where we can get to, and then we have to look for alternatives post that in terms of a population perspective. As you know, just to give it context, part of that was the decision around the women’s rehabilitation and reintegration facility—sorry, remand and reintegration facility. That was part of that decision from a population management perspective.

Hon ALANNA CLOHESY: In terms of the number of staff, what has happened to that?

Mr McMahon: What we do along the way is when operations get to certain levels, we have increases. Shane can talk about this more if you want, but there are certain bands we get to and we bring in more staff. So, as you know, when you run a facility it is a combination of staff, a combination of logistics on the ground, and a combination of programs, and then the beds are part of that as well. So we put a plan in place that as we went to certain levels, we increased the staff at certain levels; and that has been working reasonably well.

Hon ALANNA CLOHESY: Reasonably well?

Mr McMahon: I like to pursue excellence in what I do, so I say “reasonably”, because we have done it to achieve safety and security, and also rehabilitation. I am trying to make the point that it is a combination of factors; it is not just bed numbers that are the key thing. In fact, I think the staff, the programs and the logistics are ultimately more important. They are all important, but they go together.

Hon LIZ BEHJAT: I have a question about Bandyup, Commissioner, if I can find the reference. There is a reference to the women’s estate reference committee that has been established. I cannot find the page number now to direct you to it but I am sure you know where it is better than I do. Can you just tell me who is on that committee, how often that committee meets, how often the committee will report, who it reports to, and whether those reports will be made available publicly, and if there is anything to date that you can report about? So, really, as much information as you can give me with regard to that estate reference committee.

Ms Dharmananda: I will take the question, Commissioner, thank you.

Mr McMahon: Thank you.

Ms Dharmananda: The women’s estate reference group has met twice. We will send you a full list of the members. Members include Gningala Yarran-Mark, who is the senior Aboriginal woman; Josey Hansen from the WAAAC, or the Western Australian Aboriginal Advisory Council; and Deidre Willmott, who is the CEO of the Chamber of Commerce and Industry. It is an advisory body with whom we are working to look at three primary issues. The first is what type of programs or services or interventions can be available for women who are in custody so that when they leave custody they have as many employment opportunities as possibly available to them. As you would be aware, in terms of flow-down, we have approximately 800 women go through the corrections environment annually, and we are very keen to ensure that these women have the opportunity to lead productive lives when they leave. So, it is working with members of the women’s reference group to look at opportunities in that regard. It is also to look at opportunities for women who get a community supervision order for types of programs that might be available there; the types of supports that they might require; the type of housing that they might require; and in many instances how we can best support Aboriginal women, particularly Aboriginal women with children, reintegrate into the community. This of course recognises that the judicial system has made

a decision for these women to be remanded in custody or to be detained in custody, but our focus is to look at the specific and unique needs of women who are in custody with a view to integrating them back into the community. So, it is not intended that the women's reference group do a report, but certainly the initiatives that this committee and members of Parliament will see in the coming year through the Minister for Corrective Services will be informed by the advice given by the committee. So, as we look at bail options or we look at stronger interventions for employment, it would be informed by the advice from members of the committee. But we will send you a copy of their terms of reference and the members of that committee for your information.

Hon LIZ BEHJAT: Are the members remunerated for being on that committee?

Ms Dharmananda: No, they are not remunerated. It is purely advisory. We have a couple of senior counsel, female QCs, on it, so it is very much part of their commitment to ensuring that justice for women is available as much as possible and part of their commitment to the broader goals of society.

Mr McMahon: Could I add, if I may, that it was set up similar to what we learned out of the youth justice board, which is set up in a similar way. So when we saw that, we did the same with women because it is an area we need to focus on.

Hon ALANNA CLOHESY: So the terms of reference and the membership of that committee need a number.

The CHAIR: You are going to take that on notice?

Ms Dharmananda: Only because I cannot remember it offhand!

The CHAIR: Yes, that is fine.

[*Supplementary Information No B6.*]

Hon LIZ BEHJAT: Just on Bandyup, then, with the Hakea remand facility that is going to come online for women, when is that expected to be up and operational?

Mr McMahon: Our plan at this stage is to have it up and running by the end of next calendar year.

Hon LIZ BEHJAT: The next calendar year?

Hon ALANNA CLOHESY: The end of 2016.

Hon LIZ BEHJAT: It is going to take that long to do Hakea? It is already there.

Mr McMahon: Yes, and the fence has gone up but, as you know, there is commerciality around what we are doing in terms of going through to a tender process. That will take us a reasonable amount of time. We have to assess those tenders. As you know, in the women's estate we want to make sure that we are actually offering services to women that are unique to women—so I can say that—and then we have to actually get the commissioning right. I have found if we spend too little time on commissioning, we do not get the product we are after; and I would rather be conservative in my time estimate.

Hon LIZ BEHJAT: Apart from the fence, which was the obvious one that you would need to put between the two, the male and female estates, what is the extent of the capital works then that is required to change that block into the remand centre?

Mr McMahon: You have the two blocks there already, which is what we refer to as units 11 and 12. I think there are approximately four to five other major buildings we are doing. There is a major reception centre that is obviously critical for reintegration, so that is about families, and programs. There is also obviously where the staff go, because it is a completely new facility. There will also be additional management-type arrangements for prisoners that need that extra support. So it is not what I would call a large build, but it is a technical build, if I could say that. The other thing is we are obviously putting in a new gatehouse, and if you know Hakea itself —

Hon LIZ BEHJAT: I do.

Mr McMahon: — it is our only facility that has got concrete around it, so that takes a little bit of work. The other thing is the time frame, so I am back to the sort of time frame. When you are doing this work, we have got our biggest remand facility running at the same time; and we have learned from what we did at Acacia—we need to step through that in a very methodical way to get this done. So the building time is relative to we are doing it inside a functioning working prison. It is only four or five major buildings, but it actually is within a prison, so we have to get that security dimension right before we do it. And in fact we have to integrate between a number of parties on the ground—the builders, the current running of the facility, and actually the overall security environment.

Hon LIZ BEHJAT: How many women on remand will it house when it is completely operational?

Mr McMahon: At its fullest capacity for reintegration and remand, it can hold 254.

Hon LIZ BEHJAT: Out of your 322 in the estate today, how many of those —

Mr McMahon: Approximately 30 per cent.

Hon LIZ BEHJAT: —are on remand, 30 per cent?

Mr McMahon: Approximately, yes, last time I checked. It varies. I say 30 per cent because that is about what it is. Shane might be able to give you the detail as at today.

Mr Maines: In Bandyup today, there are 139 women on remand; there are three women on remand at Eastern Goldfields; seven women on remand in Greenough Regional Prison; four women in Roebourne; and two in West Kimberley.

[2.00 pm]

Hon LIZ BEHJAT: Would you keep those women in Greenough on remand in Greenough when Hakea opens? You would not bring them to —

Mr Maines: It depends on their needs at the time. Generally, we try to keep people where we can, in country, and their court appearances generally will be in that magisterial district.

Mr McMahon: I am just putting this the way it is: the reason we are doing it is, like the men's estate, it means Bandyup becomes a fully functioning sentence prison which, from a rehabilitative perspective —

Hon LIZ BEHJAT: That then you could knock down and rebuild?

Mr McMahon: Well, no; it means we could actually get better programs because there is one set of prisoners there.

The CHAIR: It is the second building we have destroyed today. I think the police headquarters went first—Curtin House. I cannot wait till we get to Health later in the week!

Hon ALANNA CLOHESY: I know exactly two things that are going in Health!

Hon RICK MAZZA: Commissioner, in your opening remarks you referred to major reforms. What is the nature of those reforms?

Mr McMahon: The major reforms I referred to—I happen to have a copy here—are in this document, and I am happy to table it. I would not have tabled it last time. It has our major reforms with all the details. I could go through it in a macro perspective to give you that, but then I could table it for you to read through if that is okay with you, Chair.

The CHAIR: It is like a cooking show, “Here's one I prepared earlier”!

Mr McMahon: Yes, it is a bit like that! As you know, for me, anything more than six pages is too long, so it is a pretty good snapshot. We have made the strategic plan, which is our major reforms, based on the direction of the minister. He has his foreword here. It talks about—which I think is

really important—what our mission is, what our vision is, and where we want to be at the end of the five years. Particularly in the next three years you will see some major initiatives coming in. What we have tried to do over the last two years is get the operations running as well as we can; that gives us that platform to move into this and, most importantly, how we do our business, which is our values. I will just refer to the eight major platforms and go through those. The first one is the right people, right structure, trained right. The second one is operational focus, so that is that whole integration that I spoke about with things, so we go from sentence to a purpose, if that makes sense. The third one is risk management. As you know, we had the Fraser and Graham issue when I first started, and the 10 escapes, and that was kicking the door open and those things. We have tightened that up, I would suggest, in a range of areas with our own staff as well as in our contracted staff, because ultimately we all work for Corrective Services. The fourth one is leadership and cultural work, so we have a bunch of programs there, particularly at the lower level. We are finding a lot of staff at the senior level get leadership training, but not so much at the lower level. Number five is engagement. I am very pleased and happy that last week we announced our first-ever reconciliation action plan, but there is a whole lot of engagement with the judicial, streamlining justice, things like that. Sixth is delivery of service, which you would have noticed in the ERA report: contestability, how we do that, how we get the right model, really, and this is the minister's direction, for the next X number of years that drives this forward in a contestable way; I think that is really important work. They also mention there the use of service level agreements for our CEOs, if you like, on the ground. That is really important—giving them the job but also giving them the resources; that is really important. Number seven is infrastructure and I think we have mentioned a few already. Number eight is the use of technology, so everything from AV through to other initiatives. The digital space—the minister has made this point—there is more we can do in that space, so we are moving into that, but it has also has the detailed projects, so that allows you to get down to the detail on that. The only other thing I would like to say, if I may, because I do not want to take too long, is that on the back we have three really important quotes that guide us. One is from Nelson Mandela, which is really important; one is from Marcia Langton, about our duty to the people in our care; and the last one is from Denis Reynolds, which reminds us about the balance between security and rehabilitation. Nelson Mandela's is all about, ultimately, if we do not do something about the vulnerable in our community, we will not be going forward, so how we treat everyone in society determines our quality.

The CHAIR: Are you happy to table that? I assume it is a public document already anyway, is it not?

Mr McMahon: I hope it is!

Hon RICK MAZZA: You seem very excited about that; I just have to let the committee know, it was not a dorothy dixer, either!

The CHAIR: No, it was a Ricky dixer!

Mr McMahon: Actually, I would like to think that, as a department, I am excited about it, because we are reasonably proud of it.

Hon RICK MAZZA: No, you sounded like you were excited about that.

Hon LIZ BEHJAT: The commissioner gets excited about a lot of things, I can assure you, Hon Rick Mazza!

The CHAIR: All right. I will make that public as well.

Hon RICK MAZZA: In the report, in your commissioner's summary, under "Our staff and detainees are safer", the figures seem a little erratic. You are saying that medical treatment fell by 44.4 per cent from nine to five, but there were more assaults that did not require hospitalisation, but then assaults on prisoners doubled, but assaults those not requiring hospitalisation dropped by

27 per cent. Does that mean that the assaults are less violent or is it just the way that the numbers fall?

Mr McMahon: From my perspective, total assaults, as per the report, are down, but where I said we need to improve, which is not where we want to be, is that serious assaults have gone up in certain areas. Total assaults are down, which is a positive, given our population has risen 7.4 per cent, so that is positive, but the serious assaults are important. Ultimately, if they become too serious, people lose their lives. I just want to make the point that in the world I have seen over two years, the work people do both in custody and community at the ground level is very, very impressive. Every day there are Western Australians out there in those complex environments, and we do not want our staff getting injured. We have done initiatives like starting a pilot program on CCTV that you wear on you. We have put more CCTV in and we are doing more with our training requirements for our staff et cetera, but ultimately, I need to see those serious assaults coming down, because a serious assault leads to, potentially, a death. I am not being overdramatic, but that is the way I view it, and I need that to come down. The pleasing piece is that total assaults are down, given our population increase. That is acceptable; I need to do more in the other area.

Hon RICK MAZZA: Okay. What have you actually done to bring the number down?

Mr McMahon: Serious assaults?

Hon RICK MAZZA: Yes.

Mr McMahon: Doing the CCTV stuff is important and also the training side is really important, and the routine and regularity of that training. Defensive training skills are really important. The other thing is that we have increased—this is Tony's area and he can talk to this—our intelligence area markedly. We are doing a number of other programs, but it would be worth hearing from Tony on this.

Mr Hassall: As the commissioner said, we have a number of strategies we are rolling out. One is improvement in intelligence, so we have invested more in that space both in Westralia Square and in the field, so we get better information coming in from the prisons which enables us to make better decisions around offenders. We publish that weekly for the superintendents, and that gives us an idea of where issues are so we can take pre-emptive action. I think the other side of that is our approach to offender management. We have an offender management committee that looks at broad strategies of how we manage offenders, making sure that their needs are met, and that is underpinned by an offender philosophy about setting out a framework, if you like, about how offenders will be treated, and one of those, for example, is more standardisation of activities that go on in prisons to give more certainty to offenders. There is a whole range of things that have come out through that committee that help to improve the stability of prisons.

Hon RICK MAZZA: Very good.

Mr Hassall: There is one other one I missed, which is that we have a new directorate that sits under me—operating standards and procedures—which is pretty much rewriting all the operating standards and procedures that we currently have. It is setting a real benchmark for where we want to go as a corrective service over the next three years. They are auditable and some of them are aspirational. They set very clear guidelines on how offenders are to be treated and how we expect staff to behave. There is a monitoring and compliance framework in that, so sitting under me I have a monitoring team that will go out and monitor certain activities in some of the high-risk areas, and I report back to the commissioner on those activities.

[2.10 pm]

Mr McMahon: To add to that, the monitoring team is new, and it goes in both public and private—and that is an important next step for us: that we are actually getting that quality across public and private. That is very important for us as we go forward. That was noted in the ERA report et cetera. They are the positive things about that. I think we are doing a lot of work on the offender

philosophy—that is, from a sentence to a purpose and all the management plans that go with someone’s rehabilitation. Ultimately, the other main thing we have done in the area of assault—it is quite wide if you think about it—is we have put a very robust governance process in place; we are moving down a culture of double-checking for all the right reasons. That double-checking, that culture, means that if we do confinement, for example, it actually gets checked up through the system. What it means on the ground for prisoners who are in our care is they have a greater understanding that the system is just. If you do not have a just system, you will not rehabilitate. That is really important. I suppose it is not just the training at one end—getting serious assaults down; it is intelligence at one end and it is actually about, really, the rehabilitation of prisoners at the other. It is quite a wide topic.

Hon RICK MAZZA: Thank you for that.

Hon ALANNA CLOHESY: What you have put in place sounds fairly comprehensive, but I wonder why there has been an increase of serious assaults against prisoners, of 15, over the previous year. Are you telling me that what you are putting in place is new to that increase of 15 assaults on the previous year or is it happening at the same time? What more needs to be done?

Mr McMahan: I think all those things we have done. If I may, all of those things from the intelligence side right through to the offender management—so better management of our prisoner population, rehabilitation, if you like, also where we place them et cetera—I think that is really important. I do not want to underestimate the complexity of who we are dealing with. You spoke about mental illness previously. We know approximately 80 per cent of prisoners have a mental issue; just under 80 per cent have abused a substance in the last four to five weeks before they come in. It is complex and I am not suggesting there are any major reasons for or not for it, but the environment is complex. The management of our gangs takes an ability to manage as well. We need to do better. It was one of those areas that I highlighted in my opening remarks. I am happy that total assaults are down; we need to do better. What we are currently doing, we need to move forward —

Hon ALANNA CLOHESY: Sorry, total assaults are up.

Mr McMahan: I was making the point. Total assaults across the board, though, are down, if you look at the paper—the number of assaults; so minus 22 per cent and then minus 53—total and serious.

Hon ALANNA CLOHESY: I am looking at your KPI.

Mr McMahan: Page 36

Hon ALANNA CLOHESY: I am looking at page 129 where your KPIs are.

Mr McMahan: That might be “serious”.

Hon ALANNA CLOHESY: Serious assaults; that is right.

Mr McMahan: As I was saying in my opening remarks, the total is down.

Hon ALANNA CLOHESY: You are talking about total assaults; but serious assaults are up, though.

Mr McMahan: Yes, and that is my issue; and I made that point. I am not happy with that, but I think the things we have in place, hopefully over the next 12 months, they strengthen and we can move forward. The other thing we have done in the department is started, in our structure review. The structure is out there; it is in the first couple of pages. If I could just show you, because a picture tells a thousand words, on page 8 you will notice under “Corporate Support”, “Knowledge, Information and Technology”. What that allows me to do is to gather more data and get more results so we can do more evidence-based analysis. The other thing is definition of assaults; we need to make sure that we get that right as well. I have highlighted that it is an area we need to

improve. I think we have some things in place, but I would like to see them bedded in and to go forward.

Hon ALANNA CLOHESY: You mentioned a range of things that have contributed but you have not mentioned prison population and the increase in prison population as a potential contributor, particularly for serious assaults but assaults generally.

Mr McMahan: I will cover prison population. Do you want to add something?

Mr Hassall: As a supplementary to what the commissioner has said, from the beginning of the first quarter next year we are reviewing our whole approach to safer custody, which will be violence reduction, self-harm reduction and suicide prevention. That will be a whole package. For violence reduction, for example, we are taking anti-bullying arrangements, where do assaults occur, how can we design out of the system issues that might contribute to assaults—so we will look at areas that may have low levels of supervision, for example. We will look at all that data and that will inform a new strategy for us to go forward next year.

Mr McMahan: I will add—I will come to population—the other thing that is most important—and I should have mentioned it—we are reviewing the way we classify prisoners, so we are getting far more technical between maximum and minimum. In those classifications it talks a lot more about risk, as in the person's riskiness. Let us be open with drug use and things like that: we need to reassess and make sure that we are doing what is appropriate with what is happening in society, so we are doing that as well. I think between operational review, how our staff work, and how we classify, they are major things, and we need to do them regularly and routinely. I believe that will make a difference as well. As you know, our staff ratios with prison population are higher at the maxi end and lower at the minimum end because that is the way it works on a system of trust as you come through the system. But in terms of prison population—I have said this publicly many times—our general-purpose beds are in the mid-6 000s, at the higher end of the mid-6 000s.

Hon ALANNA CLOHESY: Top end.

Mr McMahan: Yes. As you know, they are 5 733 to date, and that has come down. It has been interesting to watch. It sort of goes like that in levels. We did have a 7.4 in our last financial year, and I said that in estimates that that took us a little bit by surprise, but we catered for that in the beds that have been put in place over a number years. In terms of population, it gives us some flexibility, if you like, with those numbers. On top of that we have special-purpose beds, which is another around 250. So right here and now in terms of optimisation, we are okay where we need to be. We can manage it. We have enough room to move prisoners where they need to go. Next year, as you know, we have eastern goldfields coming online, and those figures also do not include the women's remand and reintegration facility. As the commissioner, I always keep my eye—this came up in estimates—on the population; I watch it like a hawk. Through our strategic asset plan that we do with the minister, we work out what is the best way to optimise what we have. I could add more.

Hon ALANNA CLOHESY: That is okay. We will come back. You will find an opportunity to add that, I am sure. I have no doubt you will find that opportunity.

Hon RICK MAZZA: Adding to potential of serious assaults will probably be drugs within the prison system. I see on page 29 a nice photo of Diego, the drug sniffer dog, and that there have been a number of seizures in the prisons. What practices do you have in place to minimise the amount of drugs that could enter the prison system?

Mr McMahan: I will let Mr Tony Hassall take that. As you know, it is an overall strategy, and I think, Tony, that is the way to approach this question.

[2.20 pm]

Mr Hassall: Our approach, really, is multifaceted—supply reduction, demand reduction, harm minimisation. Supply reduction is stopping drugs coming in. We work very closely with the police

on operations. You will have seen some in the press where we do car park interventions. As I have mentioned before and as the commissioner said, we are building up our own capacity and intelligence. We gather that type of information and we can do targeted searches. We have done some work looking at technology with Australian Border Force on how we can improve technology and searching and stuff like that. We have got the drug dog detection unit. The other side of that is demand reduction—that I am sure we will get questions on—programmatically type of interventions that we do, testing of prisoners, the urinalysis program. We are just about to launch a trial at Bunbury where we have closed visits for a period of time, so we will do some evaluation about how that work goes and the other side, of course, then is the clinical treatment.

Hon RICK MAZZA: What about prison officers, do they get drug tested on a regular basis?

Mr Hassall: That is an HR question. We have got that coming in. We are working up our internal strategy on that at the moment. We are having meetings on that. I do not think you have been to one, yet, Damien, but that will come under HR.

Hon RICK MAZZA: Just to interrupt there a little bit, last week there was some media about police doing regular drug testing and there was a couple of officers that came up positive. Are you saying to me that at the moment prison officers do not get drug tested?

Mr Hassall: Correct.

Mr McMahon: Correct. We are working through a policy on that. Obviously, that will go back through our minister. So, that is what we are working through. As you know, it fits in line very well with our loss-of-confidence provisions that were brought in. Again, that is that overarching strategy we need to bring in. The loss of confidence, as you know, we are the only department in Australia that has it. I have just come from a conference with the commissioners from the rest of Australia. They are all very keen to pursue that. For all the right reasons, we need to be that tier above because of the situation that we are in in dealing with prisoners and offenders. The policy around that is that it is definitely on our radar. But it is something that we are working through, obviously, with the minister. I will not go into the detail of how far we have got.

Hon RICK MAZZA: I have to make the comment that I am a bit surprised by it. People get drug tested even when they go on a mine site these days. For prison officers not to be drug tested, it is surprising.

Mr Maines: There are car park operations that we operate with WA Police where they do searches of everyone, including staff going into prisons, so staff are subject to random stop and search in the same way. We do not actually have the same legislation.

Hon RICK MAZZA: It is searching, though; it is not actually testing at this point in time but from what you told me you are moving towards that regime in any case.

Mr McMahon: As you know, we have re-engaged heavily with the police force in this area. We now have, for want of a better term, the prison squad back up and running, which actually works in our building. They are helping us immensely, we have increased our investigative powers, but we are working through that policy with the minister.

The CHAIR: Is there anything legislative-wise that prevents the random testing or is it just an administrative decision not to have done it until now?

Mr McMahon: I am not aware of the detail of it. Damien?

Mr Stewart: There are legislative preventions; it will be the case that we have got to work through a number of industrial issues, particularly in terms of people who test positive and what implication that has for employment—some of those things, which we will take the lead, to some extent, from our colleagues in WA Police and how they have done that.

The CHAIR: I am still unclear. Is there anything in terms of legislation that stops you from commencing random drug testing tomorrow?

Mr Stewart: No.

The CHAIR: It was not the legislation that gave you the loss-of-confidence powers to be passed to allow the drug testing; it is simply an administrative decision.

Ms Dharmananda: If I could elaborate, the issues that Mr Stewart mentioned in terms of it being industrial, while we may test someone, there is an industrial process for prison officers as to what subsequently happens. Loss-of-confidence provisions give the commissioner the ability to deal with prison officers and offenders for the safety of the prison. That is why that legislation becomes so important.

The CHAIR: The process might be different but the outcomes would be the same if you became aware of a prison officer today testing positive for drugs. You would consider the circumstances and decide whether you would engage in dismissal action or internal disciplinary action or the like, depending on the circumstances, I would have thought.

Hon ALANNA CLOHESY: In fact, 12 months ago, they could have been disciplined had they been found.

The CHAIR: The policy that is applied, will that be across the department or only operational officers? Will it be from the minister down, including the minister on a random basis, or will it be only operational officers?

Mr McMahan: Chair, if I may, to be fair, we are working through the policy. I want to take it back through to the minister. It is something that we are working through. I could go back through a number of documents where we know we need to do it—we just have not done it—but we need to work through that with the minister about how we take it forward.

The CHAIR: So no policy decision has been made on that issue yet?

Mr McMahan: Not formally, because we need to get it all wrapped up and make sure the minister has the right to say that is where we are heading. We know we have to do it; I am just letting you know.

The CHAIR: Most mining houses go from, basically, the chairman of the board down to the last employee, whether they are operational on the mines or in head office. I was just trying to get an idea of whether that was going to be the case.

Mr McMahan: I can tell you, ex-military, from the CO down, you get drug tested. The interesting thing in the military is that you could do it every day if you wanted. It is open. It is directed that way because every day you are potentially firing weapons, so it sort of makes sense.

The CHAIR: I would have thought that drug testing was one of those things you would have some sort of random process and if your number comes up today and it comes up tomorrow, you get tested today and you get tested tomorrow. The point of random testing is that it means you can never know when you are going to be tested. It is across the board; everybody is included. There is an equity in it.

Mr McMahan: Yes, the reason it is important—loss of confidence has given us this—is that there is an occupational health and safety aspect to both these issues. It is about the 99 per cent of staff in our system who are actually doing the right thing. It is about supporting them. I spoke previously about the system, that people know it is fair in jails—the prisoners. It is about rehabilitation as well; they know the system is just and accountable. That is really important. The evidence, the documentation worldwide, supports the better your governance in a prison system, the prisoners know that they can rehabilitate better because they know it is a fair and just system. We just need to staff it.

Hon ALANNA CLOHESY: How many disciplinary proceedings have commenced since August 2014 under the new legislation?

Mr Stewart: None that I am aware.

Ms Dharmananda: Implementation of the legislation commenced in August 2015. You may be aware that an extensive consultation process occurred with the Prison Officers' Union and the CSA about the scope of the regulations. Regulations have now been finalised and we will be rolling them out in the coming weeks.

Hon ALANNA CLOHESY: Have the regulations been introduced into Parliament?

Ms Dharmananda: No; the regulations have not been introduced into Parliament. We have worked with the Prison Officers' Union all year to develop the regulations to ensure that the practice of the loss-of-confidence provisions or the custodial legislation bill takes into account every possible circumstance in a quite complex environment.

Hon ALANNA CLOHESY: The regulations associated with the Custodial Legislation (Officers Discipline) Amendment Act have not been introduced into Parliament but they will be implemented?

Ms Dharmananda: Yes, they will.

[2.30 pm]

Hon ALANNA CLOHESY: So, there have been no disciplinary proceedings commenced as a result of that, and no loss of confidence? Okay. Well, there go all the rest of those questions. Thank you.

Hon RICK MAZZA: Just on that, though, do you intend to table those regulations through Parliament in the usual way? It will make its way there eventually.

Mr McMahan: Yes. Again, I will give some context to this. I personally led that with John Welch, the head of the prison officers union. We went through a long and extensive process, which was supported by the minister, because we need to get it right on the ground for our staff, because it is new. It might seem timely, but we have got to get it right, and right when we actually—the principles behind it are fundamental; they are fine. How it works on the ground, how the evidence chain goes, they are the details that we need to get right.

Hon RICK MAZZA: Just so I have got it clear, the regulations are being finalised and they are going to be implemented and in due course they will end up being tabled in Parliament through the usual way?

Ms Dharmananda: They will be tabled before implemented.

Hon RICK MAZZA: Before you implement. That is what we want to hear.

Ms Dharmananda: That is normal, yes.

Mr McMahan: And we have done training in it and we are ready to go.

Hon RICK MAZZA: I have a couple of other questions, Mr Chair. Can I ask those?

The CHAIR: I am happy for you to do that.

Hon RICK MAZZA: You received an Auditor General's qualified audit this last year. What have you done to actually overcome the issues that were raised by the Auditor General?

The CHAIR: If I can, I would like to start earlier than that, if that is all right. I would like a bit more of an explanation of what the qualifications were and the reasons for the qualifications than simply the very general statements that are outlined in the—just to get it in order.

Hon RICK MAZZA: Yes. That is all right.

The CHAIR: If we can go through that, and then we can come to what you have done to fix it. Certainly, there are two bases of qualifications that I can see, and they are just a couple of paragraphs. I suspect there is a lot more behind those paragraphs than what those paragraphs say. Does someone want to explain what the bases for qualifications were? Then we can go on to how they have been fixed.

Mr McMahon: If I may, I will let Damien take the more detailed stuff, and then if I could finish after you finish, Damien, with a wrap-up of a bit of context.

Mr Stewart: Yes; thanks, Commissioner. The basis for the qualification for the 2014–15 both on financial controls and the statements themselves centres around a few activities, if I can characterise them generally, the first being assets and the second category being procurement activities. There were some 31 findings and we have, I guess, needed time to take a rather large effort to address all of those 31 activities. The substantial matters—if I could describe them as substantial; they are all important to take them on board—arise as a result of our assets that we have at Acacia and Wandoo, which are the two prisons that we operate through a third-party provider through a contract. We have come to understand in doing the work how we have those assets recorded on our books, and our valuation process is to some extent taking care of those. In some respects, it might have been the case that the audit finding may have been a little different had we known that and been able to respond to the OAG’s questions around that particular activity, but they are the substantial basis for the qualified audit and certainly the qualification of the financial statements themselves, which get to the materiality of assets that are recorded in the department’s financial statements.

The CHAIR: Are they your assets, or not?

Mr Stewart: They are, but the technical issue arises around the valuation of plant and equipment at those facilities.

The CHAIR: So it is not about recording on an asset register?

Mr Stewart: No, it is not. The process that Landgate goes through in valuing assets does not ordinarily include plant and equipment. That is their ordinary process that they would go through to value landholdings. For prisons, it is different, and it is unique to prisons. They go through and value the plant and equipment—the building’s plant and equipment.

Hon LIZ BEHJAT: Why is it unique for prisons?

Mr Stewart: Because they do not do it for anyone else.

Hon ALANNA CLOHESY: They do not do it for hospitals?

Mr Stewart: I understand that it is unique to prisons, in terms of how they value the building and the plant and equipment. I am informed that it is unique to prisons. It certainly means that the valuation they give us is a complete valuation, and the extent to which we carry that on our books, and we do, means that there is not the gap that we have been pointed to in terms of the qualification, which is that some things are not recorded—they are just recorded as part of a global valuation that we get through Landgate. Notwithstanding that, there are a number of asset-related issues in terms of those things that we record, those things that depreciate over varying periods of time in accordance with accounting standards, and a range of other things that we have had to attend to. We have two asset accountants that we have engaged who are making great headway in terms of some of the department’s policy, process and procedures around assets.

The CHAIR: The financial statements audit certainly talks about that. But the qualification with respect to controls talks about how the assets register was inadequate for ensuring that all plant and equipment assets at Acacia and Wandoo, or correctional facilities, and significant plant and equipment assets at other facilities, were accurately recorded. That suggests to me there is a problem with the asset register rather than just the valuations.

Mr Stewart: Yes; there are two parts to that. In terms of the small sample of assets that we looked at Acacia, there were six assets. Again, the process of working through the detail of those particular instances, four of those are actually assets that transitioned to the operator when they were engaged through a contract to deliver the operations at that particular facility. So, four of those things should not even have been on our asset register.

The CHAIR: Well, hang on. If they were yours, and then as part of the contract they now become the asset of the operator —

Mr Stewart: They need to come off our asset register.

The CHAIR: Surely if your asset controls are correct, you would have recorded that at the time that they transferred across. That suggests to me that what you are telling me is that that did not occur?

Mr Stewart: Correct.

The CHAIR: That is a problem with your asset register, is it not?

Mr Stewart: Correct.

The CHAIR: As long as we are clear on that.

Mr Stewart: These are the things that we need to work through, absolutely. We have the same sorts of issues with our portable and attractive items registers in terms of the processes that we go through to accurately record the asset on our registers, and we are obviously—we have 51 sites that we operate at, and they are all doing various things and purchasing things. We need to have in place not only robust processes and procedures centrally, but a process or audit to make sure that they are being adhered to and that we have an asset register that accurately records those things.

The CHAIR: What do you call them—portable and attractive items? You do not currently have a thorough asset register process for recording those? That is not uncommon for government agencies. The education department would probably love to only have 51, and even the police would love to only have 51 sites. I assume that is things like laptops and phones?

Mr Stewart: Phones, iPads.

The CHAIR: So, you do not currently have a record of all of those?

Mr Stewart: We do have a record of those things. Some of the things that we found with that particular asset register, and these are—we have an added layer of complexity in that our asset register is provided by another agency. We have a shared service arrangement with our colleagues at the Department of the Attorney General who look after the asset register for us. We have obligations, obviously, to provide them with information, to have those things recorded and to maintain its accuracy. We have a number of things that we have on our portable and attractive items register that really are not appropriately put there, but I think for a lack of, perhaps, training and clarity, and, again, our oversight and audit of those things, people have purchased something and been unsure what to do with it and it has ended up on a portable and attractive asset register.

The CHAIR: Have they also purchased things that should have gone on the register and were not put on the register?

Mr Stewart: We have tighter controls around those things because they are centralised. The important things of laptops, of telephones, of iPads, these sorts of very attractive things, are all purchased centrally and then provided out. There are not arrangements for our sites to be off and purchasing their own telecommunications equipment.

The CHAIR: So, it is more about assets being put on that should not go on? You are comfortable that you have not lost any assets?

Mr Stewart: We will have from time to time lost —

The CHAIR: That you are not aware of?

Mr Stewart: No, we have processes in place to have those things recorded.

The CHAIR: I ask again: are you confident that there are no assets that you have lost and you are not aware of; or is there a problem with your asset register that you cannot have that confidence?

Mr McMahon: Chair, I am not confident. Okay? I think we are better, but I am not confident, because the asset register, from what I can work out, has not been done well for a number of years.

[2.40 pm]

The CHAIR: That raises the question: were there warnings from the Auditor General in previous years before the qualified audit, or was it discovered in this round of auditing and they had not actually previously identified it?

Mr McMahon: If I could just add some context to that, and this is just my view on it, last year, with our audit, it was done half and half with the Auditor General and an outside firm. This year—I think it has been very good of the Auditor General—we had complete Auditor General staff, and I think that is really good. The Auditor General's reports, over my last two years, have been extremely helpful. They are getting us to where we need to go. I am not having a crack at anyone in the past because that is not what I am about and that is why I am not confident —

The CHAIR: It is more about whether we were warned rather than having a go at people in the past.

Mr McMahon: Were we warned? It did not come onto my radar, so to speak, until the first Auditor General's report and then I started to go, "Oh." Then we built our team with a bunch of new people, including Damien. In the structure, you will see quite a wider area in corporate support so at a different level, we have raised the level to actually get a grip of and control of assets, but also the other issues that have been raised in the report. I would say, going forward with the decommissioning from DOTAG, I do think that will be a positive for us. We are putting five new major systems in place, as in not IT; as in one of them will actually look at the management of how we do this. I think, again, we are on the right track, but getting back to your central question: am I confident that something has gone missing and we do not know about it? I am not confident. I cannot say it any other way; that is the truth.

The CHAIR: By the sound of some of the comments you made there, does the department have an audit and risk committee?

Mr McMahon: Absolutely.

The CHAIR: Has it always had one? You have to ask the question: what was going on if it did not always have one? Is that a new initiative to put in place an internal audit function? I used to work in a government agency and we used to dread the internal auditors coming in—I was in the accounts section. They were worse than the external auditors!

Mr McMahon: We have put in a very robust governance system, which I suggested earlier, and we have done it twofold: we have done it in a corporate services perspective, but we have also done it in the operational area. Shayne will tell you that he gets double-checked by Tony on operational issues—that is that check in the system—and Shayne checks what happens operationally. We are catching up in corporate support, but we have what we call a performance risk and assurance committee, which is chaired by me. We meet six times a year. We had that in different ways before, but I think we have brought it all together now. I think me chairing it—I need to be across it so it gets the priority.

The CHAIR: If you have got to the point where you are not confident, then as the CEO, you have to take it up, do you not?

Mr McMahon: Ultimately, I take the responsibility, but the positive out of what we have seen over the last two years is that it has uncovered where we need to get to. Last year, we had 14 things we

had to fix; we have fixed 11 of those. The minor ones—the HR things—we are still working through. What I am pleased about is that out of the 14, we have closed off 11 that the auditor told us to do. That is great news. This year, we have another —

Mr Stewart: Another 31.

Mr McMahon: — but the significant ones are the ones he has mentioned on page 61 of the report, which is the asset stuff, some of the control of inventory and some of the controls around procurement. We have brought in a new procurement person now—a senior person from the sector. So we are moving now. We have brought in another very senior person to run Socrates; not just to put the project in—sorry, Socrates is the decommissioning program. He will stay with it to make sure that it is embedded. Rather than just finishing, we will say, “No, we need you to produce the results.” I think it would be fair to say, Damien, getting back to your question, Chair: am I confident? No I am not, but we are moving in the right direction is the best way I can describe it.

Hon LIZ BEHJAT: What was on that procurement question?

The CHAIR: We have not got onto procurement yet. We have only been doing assets, I think.

Hon LIZ BEHJAT: I have some questions about not just the way you do it, but what was being procured.

The CHAIR: Unless there is anything else that you want to talk about with the assets of the issues that were identified, have we covered them all?

Mr Stewart: Yes, I think so.

The CHAIR: Do you want to give us an outline of what the problems with procurement were?

Mr Stewart: Yes. The department is being an operational agency. There are not too many agencies, certainly that I have been involved in, that procure things like cows. The department has some quite complex elements to some of the activity that it undertakes. We overlay that with the fact that we have, in our prisons industry area, levels of activity that see things procured and then turned into something else, or production results in them being usable things within our estate. Some of these things are quite micro; they can be very small instances where we may have seen a \$6 000 invoice for some reticulation split—these sorts of things happen in agencies from time to time where people will split invoices to defeat \$5 000 thresholds and the like.

The CHAIR: That is not minor; that is a fairly serious breach, actually—invoice splitting.

Mr Stewart: Yes, sorry. It is in terms of the culture and behaviour—absolutely.

The CHAIR: One off, but if that is the culture then it can become a real problem across the agency. I think there was a head of the planning commission that got himself into trouble for doing that.

Mr Stewart: One of the findings relates to some of our access to common-use arrangements, so there are some large contracts that government puts in place that we need to avail ourselves of and comply with. And other instances where we have rather large —

Hon LIZ BEHJAT: Why were you working outside the common-use agreements?

Mr Stewart: I guess I can take that, perhaps, on notice in terms of the particular activity. I am not across the particular activity. Sometimes we are pointed to common-use arrangements that are in place that people making purchasing decisions were not aware of, so there is a large—certainly, part of my response is to see people educated so people who are doing all of this activity, and there are a large number of them across the agency —

Hon LIZ BEHJAT: Are you saying that you had people in your procurement section who did not know that there were common-use arrangements in place and that they were ordering things and just going wherever they wanted to?

Mr Stewart: Not in our procurement section, but doing procurement activities —

Hon LIZ BEHJAT: The commissioner is nodding.

Mr McMahon: Yes, I am nodding; at the lower level, I am saying yes. And that is part of the issue. Part of the issue will be one of corruption at one level—a very small proportion—a bigger proportion, in my view, in my opinion—we have documented this several times—is the educative process at the lower level. I think sometimes—I do not know; I can only speak for my department—we put people into jobs and things do change. It is getting that information at the lower level and saying that. Damien, we have advanced on an educative process; we have brought people together now for briefing days to say, “This is how you do it; this is what you don’t do.” We have issued what we call “golden rules”. You might want to speak about that, Damien.

Mr Stewart: Across a number of our activities, we have identified 10 things that we see as being the most commonly accepted things, I think, if you are familiar with the activities of procuring or employing people, or using corporate credit cards. We have had to distil those down into 10 simple things you need to know and get those out to our facilities. It is at our facilities, generally, where we see some level of noncompliance with some of the things that we might like to see.

Hon LIZ BEHJAT: I think one of those things—you may have the list there that we looked at at one stage. One of them showed an extraordinary expenditure at Dick Smith, I think was one of the things mentioned in the auditor’s letter at one stage. There was this massive amount of money that you paid to Dick Smith for things that were procured outside the process. What would you buy from Dick Smith that you would use in corrections? Do not tell me your radios, please!

Mr McMahon: I think you will find it was the—you can answer, Shayne.

Mr Maines: I think it was potentially televisions, tablets and e-readers —

Hon LIZ BEHJAT: To be used by who?

Mr McMahon: For the education of prisoners. We are trying to go to the digital strategy where we can do courses. When you are in your cell and it is wasted time, if you know what I mean, we can do those programs. It makes a lot of sense. So we are trying to get into that digital space. That is just one thing I know we have got from Dick Smith because I was looking at it the other day with his logo on it. We are trying to move into that digital space. We have purchased some things from Dick Smith.

Mr Maines: I think potentially it was televisions for prisoners; they are the only things that I can think of at the moment.

The CHAIR: Are you buying them on behalf of the prisoner? Do you buy them and then the prisoner pays for them?

Mr Maines: They pay for them, yes.

The CHAIR: How is that recorded? How does that get transferred through your accounts?

Mr Maines: It comes in, the prisoner purchases it through the canteen and is able to actually purchase the television. It gets taken out of their gratuities.

The CHAIR: Right, but how does that get recorded in your books, then, as a transaction? Does it get recorded in as an asset to the canteen and then the canteen on sells it to the prisoner?

Mr Maines: Correct, yes. There have been some issues around our asset register and having an effective asset register.

[2.50 pm]

The CHAIR: Does the procurement cross over into the asset register issues as well for procurement controls?

Mr Stewart: We have got to look at this particular activity, because my understanding is that for some of those things that we have purchased in canteens that are almost on-purchased straightaway,

we expense them straightaway. So, we do not record them as an asset; they are short lived with us, effectively. This is the bit we do not know, but we have to assure ourselves that we do not maintain large volumes of stock, and that we do not have 100 TVs sitting in our canteen waiting to be purchased and should those things go missing —

The CHAIR: Especially if they are not accurately recorded on your asset register.

Mr Stewart: Correct. That is one of the areas we have to look at: our prison canteen and how we stop that.

The CHAIR: If we can just go back. We probably went down a side track. You mentioned issues of invoice splitting and issues of buying things outside of where there are common-use contracts—they are not. Are there any issues in terms of weaknesses identified with respect to procurement control?

Mr Stewart: The use of corporate credit cards perhaps touches on procurement. We had an identified instance where an inappropriate purchase had been made on a corporate credit card. Those things do happen from time to time, and we recover those moneys from people.

The CHAIR: When you say “inappropriate”, is it a personal purchase?

Mr Stewart: Correct; 31 —

The CHAIR: Did you say 31?

Mr Stewart: Sorry, there were 31 findings that I think we have covered.

The CHAIR: When these things are identified, I assume the auditors would only have identified them on a sample basis. Have you then gone back and done a thorough analysis of invoices to check for invoice splitting? It appears to me that your processes for incurring expenditure and certifying expenditure have some weaknesses in them. What have you done to go back and identify whether there any other inappropriate purchases have been going on?

Mr Stewart: Yes, certainly in some of the space there have been some different responses so far. I look at corporate credit cards, and the vast majority of our procurement transaction happens through a corporate credit card. That is not the decision to procure, that is just how you pay, but it points to the procurement activity. We have had a look at who has access to corporate credit cards—that is one of the controls. There were over 1 200, I think, some 12 months ago when this was raised by the Auditor General and we are now under 1 000. We have had a look at the limits and the thresholds have been put in place. They have been reduced to the extent that now decisions to procure and purchase above \$150 000 require the commissioner’s sign off—so there are some different levels of control. We have complemented that with some of our own activity to look at specific areas of purchase, and this is part of the work of the two new people who have started, I think, to identify the audit findings. There has been some general level of awareness raising—those 10 golden rules go some ways towards reminding people of their obligations in terms of procurement activity.

Mr McMahon: Chair, if I may, to be fair, looking back is most probably not where we are out of the moment; it is actually saying that is what has come about, what do we need to do to fix the current issues? So, to look back, I think from my perspective is a fair point, but we need to ensure that what we are doing now is the right practice.

The CHAIR: Look, I do not disagree that you need to look forward, but you also need to—I think you used the term “corruption”, and I have not raised that yet. Obviously, once the agency gets a qualified order, that is a fairly uncommon thing for the Auditor General to do. The nature of the complexity of the issues does raise the issue of corruption, so I would have thought that as part of any investigation, once you have identified there is a problem, you need to go through and make sure there is no corruption as part of also moving forward.

Mr McMahon: Agreed, Chair. I would say that some of the bigger items—effectively, there is the educative process we are doing and putting out what our top 10 rules are, and I think the lower level of that is really important so people understand. That is an educative process. The sign-offs to me—I am doing a lot more sign-offs personally, because anything of major significance, \$150 000, has to come to me. Also, there are delegations now. We have put in a whole delegation regime, obviously, for my corporate executive. So, we are trying to move forward to that. The other key thing, as I have said, just to put it in, is that we need better data and systems that double-check, and decommissioning from DOTAG will allow us to actually manage our own portfolios more robustly, and I think that has been out in the project scope.

The CHAIR: Is that because DOTAG did not take an interest in you or should we get them to look at their accounts because they probably have the same problems? If they were managing it, were the systems robust enough from DOTAG or did they have one set for themselves and one set for you?

Mr McMahon: No, I do not think that. I over time there are just better ways of doing things. I think also we have a reasonable amount of staff turnover, Chair, which does not help. But in saying that, Damien is now in there. We have picked up a range of things and the Auditor General has actually given us the guidance of where to go, and that has been very, very helpful for us. I like it because I think it is important. We got it last year; we closed the 11 big ones off and we are better for it, and we need to do this with the same thing. That is where I would like to go. Anyway, Mala, do you want to comment?

Ms Dharmananda: I just want to clarify something about the loss-of-confidence provisions, Chair, if I may.

The CHAIR: Maybe when we finish the bit about the qualified audits, if that is all right.

In terms of the procurement, I still did not get an answer to whether you have gone back and checked whether it was just human error or whether there was some more sinister motive in some of these purchases of procurements or invoice splitting or inappropriate purchases?

Mr Stewart: Yes, we certainly have, particularly where we have identified them at the facility and we think some of the activity may have not been at the, perhaps, criminal end of activity, but the more ignorant end of things where we are engaging with those facilities and those individuals specifically to make sure they are aware of the obligations on them to comply with government policy, to use CUAs and to be seeking certain level of approval for procuring.

The CHAIR: What is the quantum of transactions and value of purchases that were occurring that were without proper procurement processes? Are we talking about hundreds of transactions and hundreds of thousands of dollars?

Mr Stewart: No. I think the sample was about 60 and we are talking about thousands of dollars, not even hundreds of thousands of dollars.

The CHAIR: For contracts procured without proper processes or outside of common user—so in terms of the total extent of problems with procurement, you are saying it was only in the thousands and a handful of —

Mr Stewart: Correct. We manage our larger contracts centrally. We have people who work with us who are located from the Department of Finance in our larger space in contracted services directorate, and these are very large contracts—\$50 million, \$60 million or \$70 million contracts to run Acacia, to move prisoners around the state or our contracts with our not-for-profit providers who provide through-care support and a range of services to people. Our large contracts, for example, to procure fruit and vegetables, to feed prisoners and supply material to the prison canteens—these are contracts in the order of \$35 million—are all managed centrally, so they are all significant contracts and we have a substantial framework that sits around them. The area of focus for us is in a much smaller and granular sort of space—more amounts of money.

The CHAIR: Have we identified any inappropriate relationships between the people who were doing the procuring—not just relationships that are inappropriate, but whether there were any relationships between the people who were doing the procuring and who they were procuring the goods from?

Mr Stewart: No, we have not. The Auditor General's office themselves did not find anything that they needed to refer anywhere or do anything with, so we are certainly characterising most of that as a need for us to be training people and to be ensuring that they are aware of what were commented on as good policy and process, but just not knowing.

[3.00 pm]

Hon RICK MAZZA: I will just ask a quick question. You were a bit tardy getting the figures into Treasury, I think, were you? Were you late getting your figures into Treasury?

Mr McMahon: Not that I am aware.

Hon RICK MAZZA: No? So you met the deadline of 25 July?

Mr Stewart: That deadline is for?

Hon RICK MAZZA: For 2015, 25 July is the date for you to submit your financial data to the Department of Treasury.

Mr Stewart: I do not think we missed any of our dates, from memory. I can come back to you with further information on that.

Hon RICK MAZZA: That would be good. That is all the questions I have, Chair.

[*Supplementary Information No B7.*]

The CHAIR: I will get you to take this on notice, but could you provide us with a list of where there was procurement without proper procurement or without proper justification, or other problems with the procurement process? It is probably just the names of the company where they were purchased from, the total value of the purchases made, and the number of purchases.

[*Supplementary Information No B8.*]

The CHAIR: It struck me that there is an issue with having incurring officers and certifying officers. Have we done any work around that at all?

Mr Stewart: Yes, we certainly have. The 2013–14 financial statements for the department were qualified on the basis of controls. Our certifying incurring register was front and centre in that qualification. As the commissioner mentioned, we have addressed those things and had that qualification lifted. We needed to update our certification register and make sure it was current, along with some of the related activities of segregation of duties and some of those other controls that were put in place to manage that activity.

The CHAIR: There has been no requirement for any disciplinary action against any officers about that procurement?

Mr Stewart: Not at this point in time.

The CHAIR: Does that suggest that you may still suspect that that will be the case?

Mr Stewart: As we go through the piece of work to discover what has unfolded, if there has been any inappropriate behaviour, we will take the necessary action.

Mr McMahon: Absolutely.

The CHAIR: Do you expect that that is possible? When would we expect to know whether or not you have identified? It is now December. I assume you would have got your qualified audit or warnings. The issues would have been raised before the end of the financial year. I doubt you would have got it before the final sign-off on the audit, so you have had a bit of time.

Mr Stewart: Yes, we have, and we are attending to the 31 matters that we have to attend to. The assets have taken some level of effort and in fact will do for the next two or three months. Our procurement team will similarly be going through that exercise. In terms of the individual instances that we have to attack, I do not think it will be too far away—perhaps two or three months—and then we are likely to know whether there is any conduct that can be dealt with by way of discipline rather than by way of training and education to lift performance.

The CHAIR: The other thing I probably should ask you to do is provide as supplementary a full list of the 31 matters—just a general summary of what the 31 matters are, and what your response is and when you expect to have that in place.

Mr McMahon: Yes. I can guarantee we have got that!

The CHAIR: I am sure you have, but it would be remiss of a committee that is looking at annual reports not to put a bit of time into a qualified audit, as you would imagine. It has to be one of our primary functions.

Mr McMahon: It was a lot of effort from the Auditor General, so I do thank him for the work he did. We are using it to fix up things we need to fix.

The CHAIR: And our job is to make sure that we are comfortable that that is happening as well. We will all end up in the chain if we do not do our respective work.

Mr McMahon: Correct. I have got those 31 in my briefing pack.

[Supplementary Information No B9.]

Hon LIZ BEHJAT: I have questions in a few different areas. First of all, on page 124 of your annual report is the number of escapes—adults, by security rating. From the actuals in 2014–15, we see that there were nine—eight from minimum and one from medium. Are they all back in custody?

Mr McMahon: Yes.

Hon LIZ BEHJAT: The clearance rate on that is 100 per cent. Excellent. I thought they were. You even found the man who escaped from the soccer field, did you not?

Mr McMahon: Yes; he was camping in Queensland.

Hon LIZ BEHJAT: Yes, that is right; he was for a long time. Everyone thought he had gone overseas.

The CHAIR: Just on that, there was always the suggestion that there may have been inside assistance to that escape. Was that ever investigated or identified?

Mr Maines: I believe it was investigated. It was before my time in Corrective Services, but I do not know that there is anything to validate that. Whilst he is in custody, he is in custody currently in Queensland. He has not been extradited to Western Australia.

Hon LIZ BEHJAT: Is he fighting the extradition order or something?

Mr Maines: No; he has some outstanding matters in Queensland that will be dealt with first.

Hon LIZ BEHJAT: Of course he would! We probably do not want him back here!

The CHAIR: Does that mean we are confident there was not any assistance inside, or there is absolutely no evidence that there was assistance?

Mr Maines: There is no evidence of any assistance. He was listed as a minimum security prisoner and was out on a minimum security detail. Being classified as a minimum security prisoner brings with it a level of trust. The commissioner has since that date brought in processes to ensure that people like that person would not be in a minimum security facility again.

The CHAIR: Not for too long, certainly.

Mr McMahon: As well as the way we do our risk management for our section 95s, as well as how we operate on the ground, as well as a check at the headquarters level, as well as an audible approach, and we have increased our intelligence around that as well. We are trying to get moving into the world of the proactive intelligence check rather than it happens and then we have the soccer field–dog event again. So we did change a number of things.

The CHAIR: It is even more dramatic when you call it a puppy, I think!

Mr McMahon: Correct! Thank you, Chair. The other thing is that we investigated the internals thoroughly, and it was not a corruption issue.

Ms Dharmananda: I just want to clarify, Chair, that the loss-of-confidence provisions were passed by Parliament and the regulations were approved by Parliament and by committee on 21 August. We have not had any dismissals under the loss-of-confidence provisions. We spent all that time working on regulations with the prison officers' union. What the department is doing now is helping to roll out information sessions for all the staff so that they know what the new standard is, and we are finalising delegations under the legislation. It is the work under the delegations, which is legislated, that they are working through.

The CHAIR: Have we had any resignations of people where there was a good chance that they were going to have a loss-of-confidence notice issued? Have any people resigned before you could issue the loss of confidence?

Mr Hassall: We have. Whether they would fall under that, I can take that on notice and get back with numbers, but we have had a couple since August, yes.

The CHAIR: Resignations of people who were under some form of investigation?

Mr Hassall: Correct. I will get back to you with the numbers if I could.

[*Supplementary Information No B10.*]

The CHAIR: When people go in those circumstances, do they get all their entitlements and do you then stop any further investigation, or would you continue to examine whether there is action you should take and therefore cease their entitlements, because they have gone before you can issue the loss of confidence but you would still find loss of confidence in them?

Mr Hassall: If their involvement was in criminal activity, the police would continue that. If there was no more for us to investigate with that person, we would not continue if they were not with us any longer. In terms of entitlement, Damien can clarify that.

Mr Stewart: As with anyone else in the public sector, if you resign, you are paid your accrued leave and anything that you are entitled to. The extent to which any activity, as Tony pointed to, is criminal and needed to be looked at after the event is subject to other legislation. Certainly if it is linked to some sort of gain that the person has had, those sorts of things, obviously, the department is not involved in.

The CHAIR: Thank you. My apologies; I did not want to forget that follow-up information.

Hon LIZ BEHJAT: That is fine. Page 59 of the annual report refers to safe, secure and efficient transport of prisoners. The commissioner is laughing, and I know why he is laughing. This is a question that I asked of WA Police, and I was not sure whether they would have an answer to this. I said it would either be WAPOL or DCS, and the police did say DCS, so you can thank Commissioner O'Callaghan for this one, Commissioner McMahon.

[3.10 pm]

Mr McMahon: Okay.

Hon LIZ BEHJAT: I note that there is not a lot of detail surrounding some of the prisoner transport stuff in the annual report—I understand that—but there is just one question I have

surrounding that. I know we are going into a new contract for that. There does not seem to be a requirement under either DCS or WAPOL for you to report with regard to police lockup clearances. In the metropolitan area we know there is a requirement that police lockups will be cleared within 24 hours. I want to try to find out, over the last 12-month period, the total number of people who were in metropolitan lockups who were not cleared within 24 hours. Can I have a breakdown of who was responsible for the transport of those people who fell into that category; and, when those people were eventually picked up, where they were picked up from and where they were taken to? You will have to take that on notice, I assume.

Mr McMahon: Yes.

Hon LIZ BEHJAT: If you could just get me those three things, I would be appreciative.

Mr McMahon: We will do that, and we know those things because, as you know, we are going into commercial negotiations.

Hon LIZ BEHJAT: Yes, I understand that, but I think that is something that would be —
[*Supplementary Information No B11.*]

The CHAIR: I am assuming that would be information that potential tenderers would for from you, so it is not like it is going to be confidential.

Mr McMahon: We will work through that, and we have gone back and forth on this. We will work through, and what we can do, we will do, and if we have to do it in another way, we will have to work that way out.

Hon LIZ BEHJAT: We are good at working out different ways of doing things, commissioner, you and me.

Mr McMahon: We are.

Hon LIZ BEHJAT: In a totally different area, I think the FASD project at Banksia Hill is being funded by the Telethon Institute. Can you just give me some —

Hon ALANNA CLOHESY: Foetal alcohol spectrum disorder.

Ms Dharmananda: Yes.

Hon LIZ BEHJAT: Did I not say FASD?

Ms Dharmananda: They are just looking a little confused.

Hon LIZ BEHJAT: I am sorry; FASD is foetal alcohol spectrum disorder.

Ms Dharmananda: I was just looking for the page number.

Hon LIZ BEHJAT: I am so used to talking about it because it is such a big thing.

When did the project at Banksia Hill commence? How long is that project going to run for? Is it only funded by Telethon kids institute or is there some government funding in that? What do you expect to happen with the data that they will collect? I think it is referred to in the earlier part of the report, where Banksia Hill is mentioned.

Ms Dharmananda: The Telethon work at Banksia Hill on FASD is funded by the Department of Corrective Services as well, so we have contributed to it.

Hon LIZ BEHJAT: Can you tell me how much you have contributed to that—what the quantum is?

Ms Dharmananda: No, I cannot.

Hon LIZ BEHJAT: Could you take that on notice?

Ms Dharmananda: Yes, we will take that on notice.

The purpose of the project is to look at a more effective assessment and screening tool for children in custody who have or may have FASD. The project went through a rigorous research and assessment process, so that means all the ethical research requirements were met with UWA involvement and Telethon involvement. This is particularly critical because the commissioner is allowing researchers to come into a custodial facility—a detention centre—to, in effect, seek the consent of children to participate in this study. So far I think over 40 children have been assessed. We expect that the study will conclude sometime next year, and the first findings will be used for a screening tool that we will be able to use in terms of interventions for children, as well as for use in pre-sentence reports in the Children's Court.

Hon LIZ BEHJAT: Presumably these ones in that 40 cohort were already residents at Banksia Hill and New Norcia?

Ms Dharmananda: Yes.

Hon LIZ BEHJAT: Is the aim that that would be an automatic check for when someone comes into custody with you? I know they do certain health checks. I am still not sure whether you are doing extensive hearing checks when people come in. Last time I asked, you were not; it was very minimal. I think it should actually be much more detailed than it is, given the high proportion of Aboriginals who come into your care and for whom hearing loss is a major issue. But would you then automatically expect that looking for FASD would be an automatic thing that you would assess for with someone coming into custody?

Ms Dharmananda: It is a complex question. As you would know, earlier this year the University of Western Australia worked with Dr Elizabeth Conroy, who is an international expert in FASD. We are looking at a staged screening process. Things like FASD assessments and health assessments can be very, very intrusive, and these children, irrespective of the crime, are sufficiently traumatised and are often victims of abuse and often victims of other circumstances as well. We are looking at an assessment tool that is non-intrusive. What Dr Conroy says, and what best international practice is, is that the initial assessment takes into account things like hearing, linguistic ability, general trauma et cetera, and only if those indicators are high would we then look for a full-scale, full-blown assessment on FASD. That is being worked through as part of a broader project on the Banksia Hill transformation, and we have a partnership with UWA on FASD as well. The intent, I suppose it would be fair to say, is, as the minister has said in Parliament on a number of occasions, to have an assessment and screening tool that treats each child as an individual, and that we are then able to look at the appropriate interventions so that the child does not return to Banksia subsequently.

Hon LIZ BEHJAT: Thank you.

[*Supplementary Information No B12.*]

Mr McMahan: That was the cost, was it not?

Hon LIZ BEHJAT: Yes, how much the department is putting into it.

Hon ALANNA CLOHESY: For the calendar year 2014 and year to date 2015, what is the number of juveniles who have been transferred from detention in the Kimberley and the Pilbara to be detained in the metropolitan area?

Mr McMahan: We can get that information; we will take that on notice.

[*Supplementary Information No B13.*]

Hon ALANNA CLOHESY: I refer to page 43, "Deaths in Custody". For the last two financial years what proportion of the apparent unnatural causes and natural causes were Aboriginal prisoners?

Mr McMahan: I have that.

Hon ALANNA CLOHESY: You have that? Wow!

Ms Dharmananda: Yes, we have.

Mr McMahan: Bear with me.

Hon ALANNA CLOHESY: Do you have more than one lot of figures?

Mr McMahan: I have stats back to 1981 on this; that is why I carry this with me. What were the dates you wanted?

Hon ALANNA CLOHESY: I asked for the last two financial years.

Mr McMahan: The proportion? Okay.

Hon ALANNA CLOHESY: But if you have them going back to '81 and you would like to table that, I would love to see it.

Mr McMahan: I have been given these, but it should be fine to table. I have circled things and —

Hon ALANNA CLOHESY: That is okay.

Mr McMahan: That goes back to '81.

Ms Dharmananda: I will table mine.

The CHAIR: Is there is nothing confidential in that? Are you happy for it to be public?

Hon LIZ BEHJAT: There are no identifiers or anything, are there?

Mr McMahan: There are no identifiers, but it will show you the numbers.

The CHAIR: Are people happy for it to be public?

Hon ALANNA CLOHESY: Yes; I moved it.

The CHAIR: Okay; I will make it public.

Hon ALANNA CLOHESY: I will move on to fine defaulting. For the calendar year 2014 and year to date 2015, what proportion of the prison population was categorised or in prison because of fine defaults?

Ms Dharmananda: Are you using the financial year?

Hon ALANNA CLOHESY: I did ask for calendar year, because they are actually questions I have asked in the past. But if you would like to take the calendar year on notice and give me the financial year, I would be happy with that, too.

[3.20 pm]

Mr McMahan: I have the figures here, because I knew we would get asked this question. Is the member after the number of receptions for fine default-only sentences?

Hon ALANNA CLOHESY: Receptions is one, but proportion of the prison population is another. Let us go with receptions first.

Mr McMahan: The number of receptions for fine default-only sentences for 2013–14 was 1 127, and in the last financial year, 2014–15, it was 603—a reduction of 46.5 per cent.

Hon ALANNA CLOHESY: You were hoping I would ask that!

Mr McMahan: It gets asked a lot! That is why I keep it with me!

Hon ALANNA CLOHESY: For those receptions for 2014–15, what proportion were Aboriginal; what proportion were women; and what proportion were Aboriginal women?

Mr McMahan: I can get you that. I have got it here, but to save time I can get you that.

Hon ALANNA CLOHESY: Do you want to table that as well?

Mr McMahon: We can table that and put it down, because it will be very clear then, but could I say it is heartening to see that there has been a marked reduction. I am really pleased about that, because it is moving in the right way.

Hon ALANNA CLOHESY: Does that list have a proportion of the prison population as fine defaulters?

Mr McMahon: We are using flow data, and I would rather clarify it in a response back to you. The flow data goes up and down, so if we could clarify that for you in a document it would be clearer for all of us, because it does get confusing at a point in time versus the flow during the year.

Hon ALANNA CLOHESY: Why does it get confusing at a point in time?

Mr McMahon: Because you are picking one day versus what happens over the year. Some people have used one day, and some people have used flow data. I want to make sure I actually define that and give it to you.

Hon ALANNA CLOHESY: That is why I asked for calendar year for everything, but if you can provide it for calendar year and financial year.

Mr McMahon: We can do that; that is fine.

[*Supplementary Information No B14.*]

The CHAIR: Page 105 says commissioning of the newly constructed eastern goldfields regional prison is expected in December 2015. Is it still expected in December 2015?

Mr Stewart: No, it is not.

The CHAIR: When do we now expect it?

Mr Stewart: The department has been informed that the builder reasonably expects to achieve end of contract completion—which is the completion of the built facility; we then commission it—on 22 January. We are in the throes of going through a process with an independent certifier; this is the person who comes along and looks at the program of works on the ground and what has to be done and gives us confidence that it will either be done or not done at the moment, and that will see whether we can reasonably expect to receive the facility at the end of January.

The CHAIR: You receive it, and is it the same contractor who will operate it? Is it under the same contractor?

Mr Stewart: No; it is a public prison.

The CHAIR: It is internal, so you are doing it yourself?

Mr Stewart: Correct; it is a public prison.

The CHAIR: So it is just the maintenance that continues to be outsourced?

Mr Stewart: Correct.

The CHAIR: What has been the reason for the delay?

Mr Stewart: I think the builder has experienced a number of things in their own operations that have contributed. Primarily, these are a function of resource. The extent to which they can build to a program is a function of how they apply resources. That has predominantly been the reason for the delay.

The CHAIR: Was the 15 December date the preferred date or was that the contract date? I was looking at the contract—I think it is section 19—about completion. It was hard, without getting all the figures and working out the actuals; it is all dependent on what dates certain items were provided.

Mr Stewart: It is neither. We had originally—this will have been a public statement—expected to have that prison completed and available to us in July of this year.

The CHAIR: That is when the contract should have been handed over. It was then re-estimated for December. With the end of January date, what do you expect? What is the delay between the practical completion and handover and it actually starting to operate as a prison?

Mr Stewart: There is period of operational commissioning that we go through once we receive the facility. We are going through the exercise currently to understand how robust that date of 22 January is. I must say it is the fourth date we have been given, so confidence levels I do not think are high. However, when we receive that technically complete facility, we commission it. There are requirements under the contract for things like security systems and for the facility to operate fault free for a period of 14 days. If anything happens within that 14-day period, the clock is reset and the 14 days reruns. To some extent, the time frames are unknown; they are guided by the extent to which that facility runs fault free, as it should be. Notwithstanding that, we expect once we have received it, ordinarily we have a process of about 30 days in which we would commission the facility. That sees us test it, train in it and do all the things we need to do to satisfy ourselves that what we have purchased is fit for purpose and operating as it should.

The CHAIR: Apart from the delays, have there been any contractual issues or problems with the management of the contract?

Mr Stewart: Not from my perspective. We obviously have partnered in this with the strategic assets area within the Department of Treasury in terms of the build itself. There are a number of related issues that the department has been dealing with in terms of things such as asbestos on site, but they have all been worked through and dealt with.

The CHAIR: You said earlier that there were four dates. July was the date that it was originally due, and then they have been sort of August, then October, then December and now January?

Mr Stewart: It is something like that, yes.

The CHAIR: Have there been any issues that we have had as a government where we have required changes in scope or provision of any facilities that were not part of the original contract that could have caused that delay —

Mr Stewart: Not certainly that have caused the delay.

The CHAIR: — to that extent?

Mr Stewart: Not to that extent. There have been some modifications and things that occur as you go along with the build. There is a function of both the state clarifying some of its requirements as we deal with the technical element of the build, and they are also, in part, a response to some modifications that a builder makes. So, while you have technical diagrams and specifications that you build to, there are a series of modifications that are made as the build progresses. Most of the modification requests are as a result of the builder either identifying some preferred way of building, some new material that they wish to use in construction, or an inability to source particular materials that they thought they would have access to.

The CHAIR: Is it a smoke-free facility?

Mr Stewart: It is not a smoke-free facility.

The CHAIR: Was it going to be?

Mr Stewart: It was not going to be built with a means to light cigarettes, which would have made it smoke free!

The CHAIR: I assume we do not allow prisoners to have their own items for lighting, do you? You have got to have a —

Mr Stewart: A flameless lighter.

The CHAIR: But it is now being built with the ability —

Mr Stewart: It will have flameless lighters installed.

The CHAIR: Is that one of the variations that we made as a government to the original tender?

Mr Stewart: Yes, it was a variation. We are not getting that particular variation undertaken by the builder; we will do that after the build is complete.

The CHAIR: So that is not one of the reasons for the delay?

Mr Stewart: No, it is not.

The CHAIR: Good luck on 22 January, you reckon—between Christmas and new year.

Mr McMahon: We did not say 1 April!

Mr Stewart: We did not say 2016!

The CHAIR: Hopefully, the rest of the 25 years will run a bit smoother.

Mr McMahon: Yes.

The CHAIR: Do members have any other questions?

Hon RICK MAZZA: Just one of interest, if I may, please, Chair. Does your prison industries program also entail food production for prisoners?

Mr McMahon: Yes, it does.

Hon RICK MAZZA: What sort of percentage of the prison food would that provide?

Mr McMahon: We could give you the exact figures. I know from memory that fruit is about 50 per cent. The milk I think is right across—90 per cent.

Mr Stewart: It is right across.

Mr McMahon: It is in the report, if someone could find the paper and the page number.

Hon RICK MAZZA: I will have a look at the report.

[3.30 pm]

Mr McMahon: It is actually in there and it is very heartening because it is meaningful employment for prisoners and it reduces costs for us.

Ms Dharmananda: Page 50.

Hon RICK MAZZA: Page 50, is it? I will have a look at that later.

Ms Dharmananda: We are 100 per cent self-sufficient in milk, eggs, red meat, and fruit and vegetables. It is about 70 per cent across the estate.

Hon RICK MAZZA: That is pretty good.

The CHAIR: And you are on your way to 85 per cent by 2017.

Mr McMahon: The more we can do, the better it is.

The CHAIR: The committee will forward any additional questions it has to you in writing in the next couple of days, together with the transcript of evidence, which includes the questions you have taken on notice. With the responses to these questions, the formal words are “within 10 working days”, but the committee has agreed to an extension into the middle of January because of the Christmas–new year period and all the rest of it, so the letter you get will include the date that we want them returned by. But I think there has been a shortening of the period, so make sure you read the letter about the number of days you have to respond to your *Hansard* transcript. There is less

time for all your own corrections. You cannot change facts, but if you have made a mistake in what you have said, you can highlight that. That is the transcript, but the questions on notice will be a bit longer. Should you be unable to meet the due date that will be in the letter, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to submit these to the committee clerk at the close of this hearing. On behalf of the committee, I thank you for your attendance today.

Mr McMahon: Thank you, Chair. Thank you, committee.

Hearing concluded at 3.31 pm
