

NSW Crime Commission
453 Kent Street
SYDNEY NSW 2000

31 October 2002

The Hon M Costa MLC
Minister for Police
Parliament House
SYDNEY NSW 2000

Dear Minister,

I am pleased to submit to you the Commission's annual report and financial statements for the year ended 30 June 2002 for tabling in Parliament. The report and financial statements have been prepared in accordance with the provisions of the *New South Wales Crime Commission Act 1985*, the *Annual Reports (Departments) Act 1985* and the *Public Finance and Audit Act 1983*. Its contents comply with the requirements of those Acts and government policy.

Yours sincerely,

.....
PA Bradley
Commissioner

COMMENT ON THE 2001/2002 ANNUAL REPORT BY THE
NEW SOUTH WALES CRIME COMMISSION
MANAGEMENT COMMITTEE

The Committee notes that the sixteenth full year of operation of the Commission has been marked by continued growth in output while maintaining very low levels of consumption of public resources. The level of investment in capital resources during the course of the year is an indication of the continuing commitment to the Commission's future, particularly in the area of technology-based investigations.

The impact of the Commission's work on organised crime has been substantial, through both criminal investigations and confiscation.

.....
The Hon M Costa, MLC
NSW Minister for Police

.....
K Moroney, APM
Commissioner, NSW Police

.....
PA Bradley
(Acting Chairperson, National Crime
Authority, from 18 September 2002 until
30 December 2002)

.....
PA Bradley
Commissioner, NSW Crime Commission

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ABBREVIATIONS		SENIOR STAFF DURING 2001/02
AAS	Australian Accounting Standard	Director and Solicitor to the Commission John Giorgiutti (June 1990)
ACS	Australian Customs Service	Assistant Director, Financial Investigations Michael Lulan, ACA (June 1986)
AFP	Australian Federal Police	Assistant Director, Investigations Tim O'Connor (June 1999)
CAR Act	<i>Criminal Assets Recovery Act 1990</i>	Assistant Director, Investigations Mark Standen (March 1996)
COPOC Act	<i>Confiscation of Proceeds of Crime Act 1989</i>	Assistant Director, Operations Support Alison Brook (October 1993)
JACG	Joint Asian Crime Group	
LLB	Bachelor of Laws	
MP	Member of Parliament	
NCA	National Crime Authority	
NSWCC	New South Wales Crime Commission	
NSWP	New South Wales Police	
QPM	Queen's Police Medal	
SES	Senior Executive Service	

PROGRAM OBJECTIVES AND DESCRIPTION

COMMISSION MEMBERSHIP

Section 5 of the *New South Wales Crime Commission Act 1985* provides for one Commissioner and, if necessary, one or more Assistant Commissioners.

During 2001/02, Mr Phillip Bradley was the Commissioner of the NSW Crime Commission.

There were no Assistant Commissioners appointed during the reporting period.

Mr John Giorgiutti, Director and Solicitor to the Commission, was appointed as Acting Commissioner on the following dates, during periods of absence of the Commissioner:

14 to 22 July 2001
21 to 28 January 2002

Program objective

To combat illegal drug trafficking and organised and other crime in New South Wales.

Program description

Targeting high-level drug traffickers and persons involved in organised crime.

Obtaining evidence for the prosecution of those persons and/or the confiscation of their assets.

Furnishing reports relating to illegal drug trafficking and organised crime.

Disseminating information and intelligence, and investigatory, technological and analytical expertise.

Restraining and confiscating property under the *Criminal Assets Recovery Act 1990*.

OVERVIEW OF 2001/02

The annual report of a public sector agency should provide an understanding of what the organisation does and, if possible, how effective it is.

This report contains a general account of the Commission's operations. There are limitations on what the Commission can say about operational activity for obvious reasons and because of the provisions of its Act. Effectiveness is difficult to measure, because most of the Commission's work is done in partnership with other agencies, such as police. The contribution that the Commission makes to the outcome varies according to the nature of the work and cannot be readily quantified. In many matters, outcomes are realised in the criminal justice process, where the conduct of the matter is in the hands of others.

Stakeholders, especially those who provide the funds that allow the Commission to operate, are interested in costs as well as outputs.

Costs may be summarised as follows:

. Cash allocated	\$11,974,000
. Other costs borne by government	\$716,000
Total	\$12,690,000

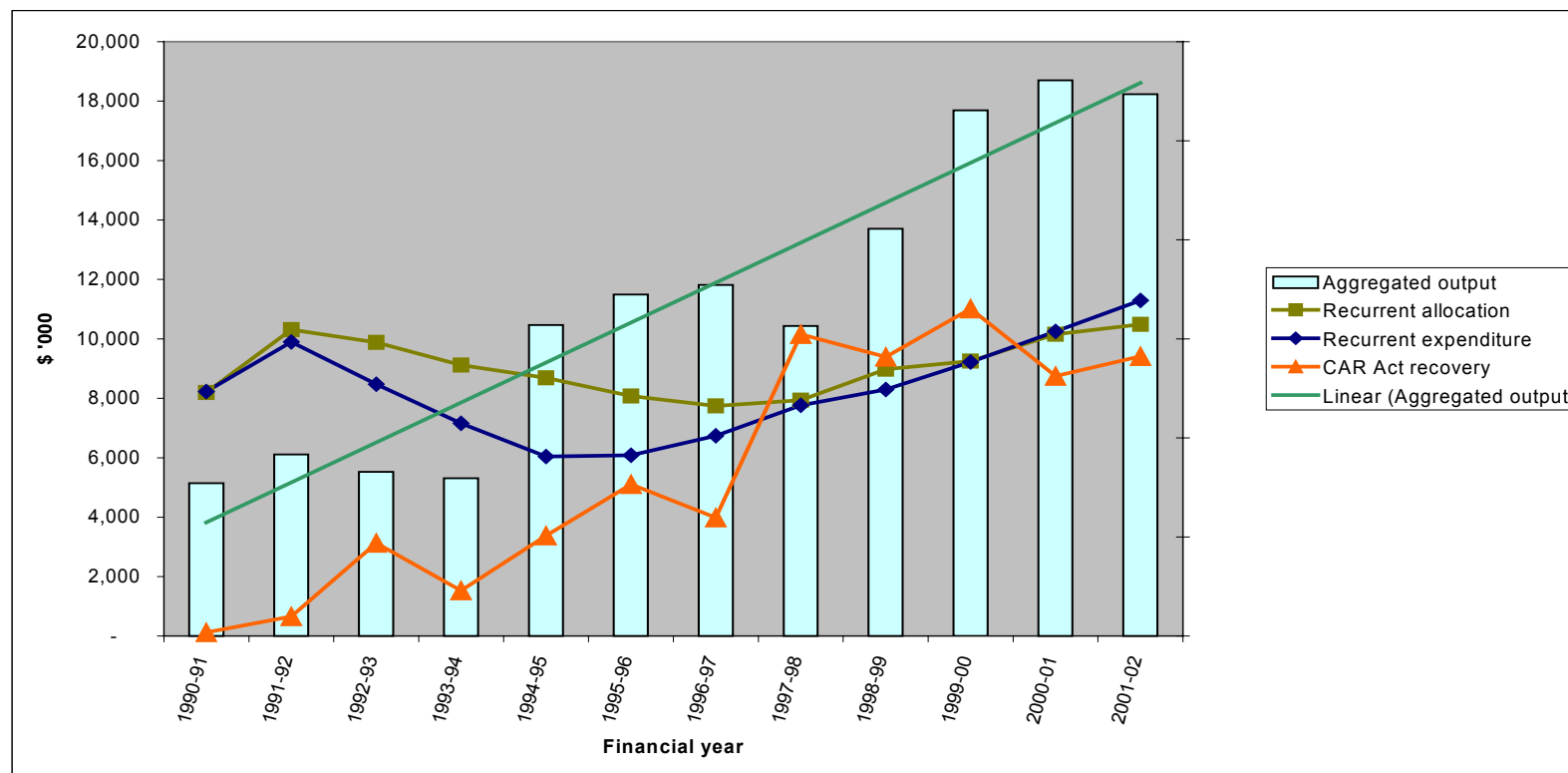
During the year, capital expenditure was at a record level of \$2,782,000. Capital is not usually regarded as a cost because the assets acquired become part of the net equity of the Commission. However, most of the capital expenditure is in the information technology area, where the useful life is quite short. This is reflected in the depreciation schedules for IT equipment.

The Commission strives to keep its costs stable in real terms, notwithstanding growth in outputs over the longer term and increasing investment in electronic surveillance. The following chart demonstrates the relationship between costs and some measurable outputs.

The most significant component of operating costs is employee-related expenses, which were \$7,479,000, or 57% of the total operating expenditure. This figure represents salary and on-costs for slightly more than one hundred staff.

Overview of 2001/02

	Recurrent allocation	Recurrent expenditure	CAR Act recovery	Aggregated output	s. 16 summonses	s. 17/10 notices	Listening devices	Telecomm. interception
1990-91	8,192	8,221	119	617	89	366	139	23
1991-92	10,307	9,893	651	733	28	440	229	36
1992-93	9,880	8,475	3,124	663	37	259	329	38
1993-94	9,120	7,153	1,528	637	88	232	259	58
1994-95	8,689	6,039	3,377	1,256	92	756	310	98
1995-96	8,078	6,083	5,105	1,379	260	700	307	112
1996-97	7,743	6,740	3,983	1,418	329	612	360	117
1997-98	7,935	7,760	10,152	1,252	172	665	331	84
1998-99	8,979	8,291	9,386	1,645	195	668	609	173
1999-00	9,246	9,215	11,015	2,123	327	1,136	393	267
2000-01	10,154	10,252	8,745	2,244	208	1,289	343	404
2001-02	10,489	11,296	9,412	2,188	249	1,219	76	644



CHAPTER ONE

ESTABLISHMENT AND FUNCTIONS

ESTABLISHMENT

- 1.1 The Commission was established in January 1986 as a statutory corporation.

LEGISLATION GOVERNING THE COMMISSION

- 1.2 The Commission is constituted under the *New South Wales Crime Commission Act 1985* (as amended) (the Act), which provides for a Commissioner and one or more Assistant Commissioners. During the reporting period, the Commission was constituted by one full-time Commissioner, who has 'special legal qualifications' and is appointed by the Governor, as set out in the Act.

- 1.3 *The Criminal Assets Recovery Act 1990* (CAR Act) provides for the confiscation of the assets of those involved in serious crime related activity through civil proceedings in the Supreme Court. The Commission has primary responsibility for the administration of the CAR Act.

CHARTER

- 1.4 The Commission's charter is to combat illegal drug trafficking and organised and other crime in New South Wales.

FUNCTIONS AND OBJECTIVES

- 1.5 The principal objective of the Commission is to reduce the incidence of illegal drug trafficking. A second objective is to reduce the incidence of organised and other crime.
- 1.6 The principal functions of the Commission are as follows:
- . investigate matters relating to 'relevant criminal activity'
 - . assemble admissible evidence for submission to the Director of Public Prosecutions

- . review police inquiries
- . furnish reports relating to illegal drug trafficking and organised crime
- . disseminate investigatory, technological and analytical expertise
- . make applications for the restraint and confiscation of property under the CAR Act.

MEETINGS OF THE COMMISSION

- 1.7 Prior to 6 December 1996, when there was more than one Commissioner, the Commission met formally to decide policy matters and transact significant business. All meetings were minuted.
- 1.8 As noted above, the Commission now consists of a sole Commissioner. Commission meetings have now been replaced by meetings between the Commissioner, the Director and the Assistant Directors, who comprise the Management Team. Those meetings are minuted and are usually held weekly.

RESPONSIBLE MINISTER

- 1.9 The Minister for Police has responsibility for the Act and the CAR Act and is Chairman of the Commission's Management Committee. There was a change of Minister during the first half of the reporting year.

MANAGEMENT COMMITTEE

- 1.10 During 2001/02, the Management Committee comprised the Minister for Police, the Hon PFP Whelan, LLB, MP, until 20 November 2001, followed by the Hon M Costa, MLC (Chairman); the Commissioner of Police, Mr PJ Ryan, QPM, followed by Mr K Moroney, APM on 29 May 2002; the Chairperson of the National Crime Authority, Mr G Crooke, QC; and Mr PA Bradley, the Commissioner of the Commission.
- 1.11 At the time this report was signed by members of the Management Committee, Mr Bradley concurrently

held the positions of Commissioner, NSW Crime Commission, and acting Chairperson, National Crime Authority, and has signed the report in both capacities.

required to lay a copy of the report before each House of Parliament.

1.12 The principal functions of the Management Committee are to:

- . refer (by written notice) relevant criminal activities to the Commission for investigation
- . refer (by written notice) to the Commission, for review, police inquiries into matters relating to any criminal activities
- . arrange for police task forces to assist the Commission to carry out investigations into matters relating to relevant criminal activities
- . give directions and furnish guidelines for the purpose of coordinating any such investigations
- . review and monitor generally the work of the Commission
- . coordinate (by giving approvals) the operations of the Commission with other bodies.

1.13 The Management Committee met on seven occasions during the year.

1.14 The meetings are minuted in accordance with the Act.

1.15 The Commissioner reports to the Committee in terms of its functions at each meeting.

1.16 Between meetings, on an ad hoc basis, the Commissioner informs the Minister and members of significant events.

1.17 The Commission reports on its operations annually in accordance with section 31 of the Act. That report is incorporated in this annual report and is transmitted through the Committee to the Minister. Under section 31, the Minister may give directions as to the manner and time of preparation, but not the content of the report. The Minister is

CHAPTER TWO

INVESTIGATIONS

FUNCTIONS AND POWERS OF THE COMMISSION

2.1 Under section 6 of the Act, the Commission is required to investigate matters relating to relevant criminal activity referred to the Commission by the Management Committee, to assemble admissible evidence of relevant offences and to furnish that evidence to the Director of Public Prosecutions.

2.2 The Commission may also review a police inquiry pursuant to a Management Committee Reference and may exercise functions under the CAR Act.

2.3 As defined in section 3 of the Act, 'relevant criminal activity' means 'any circumstances implying, or any allegations, that a relevant offence may have been, or may be being, or may be about to be, committed.'

2.4 'Relevant offence' is also defined in section 3 of the Act. It includes:

- . a serious drug offence
- . a serious offence that involves a serious fraud
- . any other offence for which the Management Committee is satisfied that the use of the Commission's functions to investigate the offence is in the public interest, and the use of the Commission's functions may be necessary for the investigation.

2.5 To perform its function of investigating serious organised crime, the Commission has been given powers that are greater than normal policing powers, including the following:

- . the power to conduct hearings *in camera* at which witnesses may be compelled to give evidence and produce documents

- . the power to compel the production of documents and things relevant to an investigation by the Commission

- . the power to apply for special search warrants.

2.6 The services of NSW Police task forces are made available to assist the Commission, pursuant to section 27A of the Act. Members of these task forces have the usual police powers and remain under the command and control of the Commissioner of Police. Personnel from other state or Commonwealth agencies often join the Commission in operations, bringing additional powers and skills to the process.

MANAGEMENT OF INVESTIGATIONS

2.7 Investigations of matters referred to the Commission are usually conducted by teams consisting of members of the NSW Police and Commission staff, and sometimes staff of other agencies such as the NCA, the AFP and the Australian Customs Service.

2.8 During 2001/02, much of the Commission's investigative work related to drug trafficking, under several ongoing References. This work was carried out by NSW Police task forces and Commission staff. A number of other task forces were established to deal with ad hoc References on subjects such as murder and corruption.

2.9 The teams of task force police officers and Commission staff have day-to-day carriage of investigations and report to the Commission through weekly operations meetings. Police in task forces report through, and are supervised within, the NSW Police command structure.

2.10 With few exceptions, the results of criminal investigation work is the outcome of joint operations with other agencies, mainly the NSW Police. The Commission's contribution to these operations varies from case to case.

- 2.11 The arrangements with police are embodied in the 'Directions and guidelines' issued by the Management Committee. These arrangements are between the Management Committee and the Police Commissioner in accordance with section 27A of the Act.
- 2.12 The Commissioner, as a member of the Crime Agencies Management Committee, is able to monitor the application of police resources to matters of interest to the Commission. Some dedicated task forces formed outside the Crime Agencies Command work on Commission References.
- 2.13 Central to the arrangement is the maintenance of the command structure within the NSW Police. Section 27(A) of the Act specifically provides that the police task forces are 'under the direction and control of the Commissioner of Police' and subject to the 'Directions and guidelines' of the Management Committee.

MATTERS REFERRED TO THE COMMISSION

- 2.14 During the year, the Commission was referred nine new References. Six existing References were revised and reissued.
- 2.15 Arrests resulting from Commission investigations during the year are summarised in this chapter.
- 2.16 The Management Committee is provided with detailed reports on the progress being made in each Reference at each meeting.
- 2.17 For public interest reasons and because of the requirements of the Act that individuals not be named, details of operational activities are not provided in this report. The following information relates to investigations conducted under References that were active in 2001/02.

ACTIVE REFERENCES

Reference *Azure V*, referred on 7 May 2001

- 2.18 On 7 December 1987, the Management Committee referred the *Azure* Reference to the Commission to investigate drug trafficking by persons in the Australian/Lebanese community. The Reference has been reissued on several occasions and the range of offences has been widened. Most recently, *Azure V* was referred on 7 May 2001.

2.19 Statistical data for 2001/02

Arrests	70
Charges	277
Drugs seized:	
cannabis	3,090 g
cocaine	362 g
ecstasy	257 g
heroin	533 g
methylamphetamine (base)	184 g
methylamphetamine (liquid)	500 ml
methylamphetamine (powder)	20 g
steroids (liquid)	200 ml
steroids (tablets)	8,000
Firearms seized	3
Cash seized	AUD \$778,739
	USD \$3,400

Reference *Bianco IV*, referred on 3 September 2001

- 2.20 On 5 December 1988, the Management Committee referred the *Bianco* Reference to the Commission to investigate drug trafficking by persons in the Australian/Romanian community. The Reference has been reissued on several occasions and the range of offences has been widened. Most recently, *Bianco IV* was referred on 3 September 2001.
- 2.21 This year some members of the Australian/Romanian community have been investigated under the *Waratah IV* Reference and statistics relating to them are included in the statistical data for that Reference.

2.22 Statistical data for 2001/02

Arrests	1
Charges	1

Reference Gecko IV, referred on 3 September 2001

2.23 On 3 May 1991, the Management Committee referred the *Gecko* Reference to the Commission to investigate drug trafficking, money laundering and other relevant criminal activity within Australian/South-East Asian communities. The Reference has been reissued on several occasions. Most recently, *Gecko IV* was referred on 3 September 2001.

2.24 The Commission worked closely with officers from the NSW Police and the Joint Asian Crime Group (JACG) on investigations under this Reference.

2.25 Statistical data for 2001/02 (including JACG)

Arrests	70
Charges	312
Drugs seized:	
amphetamine	16 g
cannabis leaf	23 g
cannabis resin	67 g
ecstasy	1,088 g
ecstasy (tablets)	453
heroin	2,636 g
heroin (caps)	30
methylamphetamine liquid	11,000 ml
Firearms seized	4
Cash seized (AUD)	\$1,058,768

Reference Vacy IV, referred on 28 February 2002

2.26 On 2 November 1993, the Management Committee referred the *Vacy* Reference to the Commission to investigate the manufacture and supply of amphetamines and psychotropic drugs, and associated money laundering offences. The Reference has been reissued on several occasions. Most recently, *Vacy IV* was referred on 28 February 2002.

2.27 Statistical data for 2001/02

Arrests	131
Charges	732
Drugs seized:	
amphetamine (Hcl)	2,973 g
amphetamine (ice)	1 g
amphetamine (liquid)	100 ml
amphetamine (tablets)	2,100
cannabis (leaf)	19,025 g
cannabis (plants)	1,687
cannabis (resin)	57 g
cocaine (Hcl)	16,741 g
ecstasy (Hcl)	4 g
ecstasy (liquid)	1,000 ml
ecstasy (tablets)	4,789
heroin (Hcl)	3,263 g
ketamine	2,000 g
methylamphetamine (Hcl)	3,610 g
methylamphetamine (liquid)	800 ml
methylamphetamine (oil)	500 ml
pseudoephedrine-based tablets	77,710
pseudoephedrine-based tablets (Hcl)	10,779 g
pseudoephedrine (Hcl)	27,261 g
Rohypnol (tablets)	18
steroids (Halotestin)	50 mg
steroids (Nandrolin)	100 mg
steroids (Testo-LA Testosterone) (vials)	6
Firearms seized:	
Pistols	5
.32 calibre Baretta pistol	1
.22 calibre pen pistol	2
replica pistols	3
.22 calibre pistol	1
9mm semi-automatic pistol	1
.22 calibre semi-automatic pistol	1
shotguns	5
rifles	2
.32 calibre Hege Wolfen 'Browning'	1
Home-made shortened firearm	1
Other weapons seized:	
tazer guns	2
Cash seized (AUD)	\$1,504,111

Reference Waratah IV, referred on 10 December 2001

2.28 On 2 November 1993, the Management Committee referred the *Waratah* Reference to the Commission to investigate the supply of prohibited drugs, particularly cocaine. The Reference has been reissued on several occasions. Most recently, *Waratah IV* was referred on 10 December 2001. The Commission also investigates money laundering associated with the trafficking of cocaine.

2.29 Statistical data for 2001/02

Arrests	4
Charges	14
Drugs seized:	
cocaine	16,830 g
ecstasy	99 g
Cash seized (AUD)	\$63,250

Reference *Zetland IV*, referred on 10 December 2001

2.30 On 27 September 1994, the Management Committee referred the *Zetland* Reference to the Commission to investigate the illegal activities of outlaw motorcycle gangs. The Reference has been reissued on several occasions. Most recently, *Zetland IV* was referred on 10 December 2001.

2.31 Statistical data for 2001/02

Arrests	48
Charges	367
Drugs seized:	
amphetamine (Hcl)	14,656 g
amphetamine (liquid)	10,000 ml
amphetamine (oil)	5,000 ml
cannabis (leaf)	5,191 g
cannabis (plants)	107
cannabis (resin)	69 g
cannabis (seeds)	16
ecstasy (tablets)	12,142
methadone (liquid)	1,000 ml
methylamphetamine (Hcl)	1,268 g
methylamphetamine (tablets)	2
methylamphetamine (liquid)	7,000 ml
phenyl-2-propanone (liquid)	4,000 ml
pseudoephedrine (Hcl)	20,755 g
pseudoephedrine (tablets)	6,300
Firearms seized:	
9mm semi-automatic pistols	2
.22 calibre pistol	2
Ruger pistol and silencer	1
19mm Baretta semi-automatic pistol	2
.22 calibre S&W pistol	1
.22 calibre Jennings pistol	1
bolt-action target pistol with silencer	1
.44 calibre black powder pistol	1
.38 calibre pistol	1
Phoenix automatic handgun	1
6-shot revolver	2
.45 calibre Dakota revolver	1
.32 calibre Imperial Arms revolver	1
.38mm S&W revolver	1
M77 Ruger sniper rifle with scope	1
257 Ruger rifles	2
M16 assault rifle	1

SKS .223 automatic military rifle	2
22/250 rifle	1
Winchester 30/30 calibre rifle	2
556mm semi-automatic rifle	1
Remington rifle	2
BRNO .22 calibre rifle	1
Sterling 20/22 rifle with silencer	1
10/22 rifle	1
.303 rifle	1
9mm machine gun with silencer	1
Bren machine gun	1
12-gauge double-barrel shotgun	5
12-gauge Mossberg Maverik model 88 shotgun	1
automatic gauge shotgun	1
single barrel shotgun	2
6.5 calibre Mauser rifle	1
44/40 Winchester lever-action rifle	1
.303 Lithgow bolt-action rifle	1
30/60 calibre rifle	1
Other weapons/parts seized:	
silencer for .22 calibre rifle	1
tazer gun	1
detonators	
detonator cord	
emulsion explosives (sticks)	30
crossbow and arrow	1
fighting swords	2
throwing stars	2
bullet-proof vests	4
Other items seized:	
jewellery	
gold nuggets	
Cash seized (AUD)	\$660,741

Reference *Coogee*, referred on 11 September 1995

2.32 On 11 September 1995, the *Coogee* Reference was referred to the Commission to investigate the murder of John Newman, MP, former state member for Cabramatta. The investigation was conducted jointly with the NSW Police.

2.33 Mr Newman died outside his home on 5 September 1994 as a result of gunshot wounds from a .32 calibre weapon.

2.34 A coronial inquest into the murder of Mr Newman commenced on 2 February 1998. At the conclusion of the inquest, advice was received from the Director of Public Prosecutions that led to charges being laid against three persons.

2.35 On 8 August 1999 one of the men charged with Mr Newman's murder agreed to give evidence, which subsequently led to the arrest of another man allegedly involved in the murder.

The trial of two of the defendants resulted in a hung jury.

- 2.36 The second trial against the three defendants commenced on 2 March 2001. On 29 June 2001, Phuong Canh Ngo was found guilty of the murder of John Newman and the other two defendants were acquitted.
- 2.37 Ngo was sentenced to life imprisonment on 14 November 2001. An appeal is to commence on 11 November 2002.
- 2.38 The trial in relation to the additional charges laid against Ngo, malicious wounding and demand property with menace with intent to steal, is due to commence on 9 September 2002.

Reference *Eden IV*, referred on 28 February 2002

- 2.39 On 21 March 1996 the Management Committee referred the *Eden* Reference to the Commission to investigate criminal activity centred on Kings Cross. The Reference has been reissued on several occasions. Most recently, *Eden IV* was referred on 28 February 2002.

2.40 Statistical data for 2001/02

Arrests	18
Charges	50
Drugs seized:	
amphetamines	8 g
cannabis	72 g
cannabis (plants)	2
steroids (tablets)	19.5
Firearms seized:	
Glock 9mm pistol	1
replica pistol	1
hollow point ammunition	
Cash seized (AUD)	\$31,000

Reference *Gymea III*, referred on 9 November 2000

- 2.41 On 12 September 1996, the *Gymea* Reference was referred to the Commission to investigate organised crime; drug importation, manufacture and distribution; theft; fraud; gaming; and associated money laundering carried out by nominated criminal groups operating in and around Sydney. The *Gymea* Reference has been reissued twice. Most recently, the *Gymea III*

Reference was referred on 9 November 2000.

2.42 Statistical data for 2001/02

Arrests	25
Charges	105
Drugs seized:	
amphetamine powder	20,000 g
cannabis	418 g
cocaine	1 g
Firearms seized:	
H&K semi-automatic pistol	1
Other weapons seized:	
butterfly knife	1
Other items seized:	
stolen property (value in AUD)	\$55,000
Cash seized (AUD)	\$3,000,000

Reference *Jesmond II*, referred on 10 November 1997

- 2.43 On 10 November 1997, the Management Committee referred the *Jesmond* Reference to the Commission to investigate paedophile activity carried out by serial offenders, networks of paedophiles or persons who produce child pornography. The *Jesmond II* Reference, which expands the offences specified in the *Jesmond* Reference, was referred on 8 June 1999.

- 2.44 No matters were brought to the attention of the Commission by the NSW Police Child Protection Enforcement Agency and no investigations were undertaken under this Reference in 2001/02.

Reference *Kingsvale III*, referred on 3 September 2001

- 2.45 On 16 March 1998, the Management Committee referred the *Kingsvale* Reference to the Commission to investigate money laundering. It was referred in response to the Commission's observations that concealment of the proceeds of crime is becoming more sophisticated. The Reference has been reissued twice. Most recently, *Kingsvale III* was referred on 3 September 2001.

2.46 Statistical data for 2001/02

Assets seized (value in AUD)	\$4,313,396
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Reference *Leura*, referred on 14 December 1998

2.47 On 14 December 1998, the Management Committee referred the *Leura* Reference to the Commission to investigate the murder of Pauline Gillard on 18 September 1997 and a conspiracy to murder Maria Gioia.

2.48 No arrests were made during the reporting period.

Reference *Mascot II*, referred on 9 November 2000

2.49 On 9 February 1999, the Management Committee referred the *Mascot* Reference to the Commission to investigate serious drug offences, money laundering and conspiracies to pervert the course of justice committed by nominated persons. The *Mascot II* Reference, which has a greater emphasis on corruption, was referred on 9 November 2000.

2.50 Statistical data for 2001/02

Arrests	44
Charges	184
Drugs seized:	
cannabis	85 g
cannabis (seeds)	27 g
heroin	17 g
Cash seized (AUD)	\$106,420

Reference *Nowra*, referred on 8 June 1999

2.51 On 8 June 1999, the Management Committee referred the *Nowra* Reference to the Commission to investigate alleged child sex offences against specified children and the abduction and murder of Samantha Knight.

2.52 In June 2002, Michael Guider pleaded guilty to a charge of manslaughter in relation to the death of Samantha Knight.

Reference *Oberon*, referred on 9 August 1999

2.53 On 9 August 1999, the Management Committee referred the *Oberon* Reference to the Commission to investigate murders committed between

1 January 1970 and 30 June 1999 that remained unsolved. Some of these 315 unsolved murders are under current investigation.

Reference *Oberon II*, referred on 12 August 1999

2.54 On 12 August 1999, the Management Committee referred the *Oberon II* Reference to the Commission to investigate the murder and conspiracy to murder a number of specified persons.

2.55 No arrests were made during the reporting period.

Reference *Putney II*, referred on 3 September 2001

2.56 On 9 August 1999, the Management Committee referred the *Putney* Reference to the Commission to investigate firearms offences, including the fraudulent access to firearms and firearms licences, the illegal manufacture, sale or supply of firearms, and the illegal discharge of firearms at people or buildings. The *Putney II* Reference was referred on 3 September 2001.

2.57 Statistical data for 2001/02

Arrests	25
Charges	691
Drugs seized:	
amphetamine	17 g
cannabis	2,951 g
cannabis (plants)	7
ecstasy (tablets)	2
Firearms seized:	
long arms	52
pen pistols	28
pistols	64
Other items seized:	
assortment of firearms parts, other prohibited weapons, ammunition and explosives	

Reference *Quaama II*, referred on 2 April 2001

2.58 On 27 March 2000, the Management Committee referred the *Quaama* Reference to the Commission to investigate criminal activities, including murder, conspiracy to murder, supply and manufacture of prohibited drugs,

robbery and money laundering offences, allegedly committed by specified persons. The *Quaama II* Reference was referred on 2 April 2001.

2.59 Statistical data for 2001/02

Arrests	3
Charges	6
Cash seized (AUD)	\$15,000

Reference *Raby*, referred on 16 June 2000

2.60 On 16 June 2000, the Management Committee referred the *Raby* Reference to the Commission to investigate a triple murder in the Deniliquin area in March 2000.

2.61 No charges were laid and active investigation has ceased.

2.62 The murders have been the subject of a coronial inquiry.

Reference *Stanmore*, referred on 16 June 2000

2.63 On 16 June 2000, the Management Committee referred the *Stanmore* Reference to the Commission to investigate a robbery and assault resulting in the murder of a person in Leumeah on 3 March 2000.

2.64 Two persons were charged with the murder on 15 October 2001.

2.65 Statistical data for 2001/02

Arrests	4
Charges	14
Drugs seized:	
cocaine	1 g
ecstasy (tablets)	4
steroids (vials)	3

Reference *Tacoma*, referred on 5 March 2001

2.66 On 5 March 2001, the Management Committee referred the *Tacoma* Reference to the Commission to investigate the activities of a member of an outlaw motorcycle gang and his associates, who are engaged in serious drug offences and associated money laundering.

2.67 A number of arrests were made during the year and are included in statistical data for the *Vacy* and *Zetland* References.

Reference *Ulong*, referred on 4 June 2001

2.68 On 4 June 2001, the Management Committee referred the *Ulong* Reference to the Commission to investigate the murder of a person in Gladesville on 15 February 2001.

2.69 One person has been charged with the murder.

2.70 Statistical data for 2001/02

Arrests	1
Charges	1

Reference *Vittoria*, referred on 4 June 2001

2.71 On 4 June 2001, the Management Committee referred the *Vittoria* Reference to the Commission to investigate a number of serious criminal offences, including armed robbery and murder, committed by specified persons.

2.72 Investigations under this Reference have been suspended and no arrests have been made.

Reference *Wellington*, referred on 3 September 2001

2.73 On 3 September 2001, the Management Committee referred the *Wellington* Reference to the Commission to investigate the disappearance and murder of a number of specified persons in the eastern suburbs of Sydney in the late 1980s.

2.74 Statistical data for 2001/02

Arrests	14
Charges	58
Drugs seized:	
amphetamine	15 g
cannabis	239 g
cannabis (plants)	10
cocaine	1 g

Chapter Two: Investigations

Reference *Yamba*, referred on 2 August 2001

- 2.75 On 2 August 2001 the Management Committee referred the *Yamba* Reference to the Commission to investigate the murder of a person at Gladesville on 5 September 2000.
- 2.76 No arrests were made during the reporting period.

Reference *Zeehan*, referred on 3 September 2001

- 2.77 On 3 September 2001, the Management Committee referred the *Zeehan* Reference to the Commission to investigate organised motor vehicle rebirthing and offences involving larceny and motor vehicle theft.
- 2.78 The Commission has worked with officers from the NSW Police, the Australian Customs Service, the AFP and the NCA on this investigation.

2.79 Statistical data for 2001/02

Arrests	2
Charges	7

Reference *Awaba*, referred on 9 October 2001

- 2.80 On 9 October 2001, the Management Committee referred the *Awaba* Reference to the Commission to investigate the murders of two people at Carrington on or about 11 May 2000.
- 2.81 Statistical data for 2001/02

Arrests	1
Charges	1

Reference *Busby*, referred on 10 December 2001

- 2.82 On 10 December 2001, the Management Committee referred the *Busby* Reference to the Commission to investigate the murder of a person in Paddington on or around 17 June 2001.
- 2.83 No arrests have been made.

Reference *Como*, referred on 10 December 2001

- 2.84 On 10 December 2001, the Management Committee referred the *Como* Reference to the Commission to investigate the alleged drug trafficking and money laundering activities of a specified person.

2.85 Statistical data for 2001/02

Arrests	1
Charges	2

Reference *Dalgety*, referred on 10 December 2001

- 2.86 On 10 December 2001, the Management Committee referred the *Dalgety* Reference to the Commission to investigate serious drug offences involving heroin and associated money laundering and violent crime.

2.87 Statistical data for 2001/02

Arrests	3
Charges	43
Drugs seized: heroin	4 g
Cash seized (AUD)	\$380

Reference *Ebenezer*, referred on 10 December 2001

- 2.88 On 10 December 2001, the Management Committee referred the *Ebenezer* Reference to the Commission to investigate computer-related crime.

2.89 Statistical data for 2001/02

Arrests	1
Charges	4

Reference *Fifield*, referred on 12 June 2002

- 2.90 On 12 June 2002, the Management Committee referred the *Fifield* Reference to the Commission to investigate the murder of a specified person in September 2001.
- 2.91 No arrests have been made.

INVESTIGATIVE TOOLS

2.92 The Commission has a number of investigative tools at its disposal. In particular, special powers are available under the Act, as well as powers under the CAR Act, the *Listening Devices Act 1984*, the *Search Warrants Act 1985*, the *Telecommunications (Interception) Act 1979*, the *Law Enforcement (Controlled Operations) Act 1998* and the *Law Enforcement and National Security (Assumed Identities) Act 1998*. Some statistical details are listed below.

New South Wales Crime Commission Act 1985

2.93		Total
	Section 16 summons to appear	249
	Section 17 notices to produce	1,189
	Section 10 notices to government agencies to produce	30

Listening Devices Act 1984

2.94 During 2001/02, seventy-six warrants, including renewals (maximum twenty-one days), were granted, usually on the application of a police officer.

Telecommunications (Interception) Act 1979

2.95 During 2001/02, 644 warrants, including ninety-one renewals (maximum ninety days) were granted to the Commission, resulting in 313 arrests.

Law Enforcement (Controlled Operations) Act 1987

2.96 During 2001/02, seven controlled operations were approved.

Search warrants

2.97 During 2001/02, no search warrants were issued under the NSW Crime Commission Act.

2.98 One hundred and four search warrants were issued under section 45 of the CAR Act.

2.99 One search warrant was issued under section 38(1) of the CAR Act.

2.100 A large number of warrants issued under the Search Warrants Act were executed by police working on Commission References.

Arrest warrants under section 18AA of the NSW Crime Commission Act 1985

2.101 No warrants were issued during 2001/02.

Assumed identities under the Law Enforcement and National Security (Assumed Identities) Act 1998

2.102 The Commission did not approve the establishment of any assumed identities during 2001/02. No assumed identities were revoked.

DISSEMINATION

2.103 In addition to the normal exchange of information between agencies working with the Commission, information is formally disseminated to other law enforcement agencies and relevant bodies. During 2001/02, the Commission, with the approval of the Management Committee, disseminated material relating to a range of suspected criminal activities to other organisations on 290 occasions.

2.104 Organisations receiving disseminated material included the Attorney-General's Department, Australian Bureau of Criminal Intelligence, Australian Federal Police, Australian Security Intelligence Organisation, Australian Taxation Office, Centrelink, Crown Solicitor's Office, Department of Corrective Services, Department of Immigration, Multicultural and Indigenous Affairs, Hong Kong Police, Independent Commission Against Corruption, Law Society of NSW, New Zealand Police, NSW Director of Public Prosecutions, NSW Police, NSW Roads and Traffic Authority, Office of State Revenue, Police Integrity Commission, Queensland Crime and Misconduct Commission, Queensland Police, Royal Commission into the Building and

Construction Industry, South Australian Police, Victorian Police, Western Australian Police and the Western Australian Royal Commission.

PROSECUTIONS

- 2.105 Pursuant to section 31(2)(e) of its Act, the Commission is required to report the extent to which its investigations have resulted in the prosecution of persons for offences. The report must not identify persons suspected of having committed offences or persons who have committed offences, unless those persons have been convicted.
- 2.106 During 2001/02, police assigned to Commission References arrested 465 persons and laid 2,868 charges. These figures can be compared with 267 arrests and 1,101 charges in 2000/01.
- 2.107 Charges laid in 2001/02 and previous years of the Commission's operations are at various stages in the prosecution process.
- 2.108 The following table summarises arrests made and charges laid in connection with Commission References in 2001/02*.

Reference	Arrests	Charges
<i>Azure V</i>	70	277
<i>Bianco IV</i>	1	1
<i>Gecko IV</i>	70	312
<i>Vacy IV</i>	131	732
<i>Waratah IV</i>	4	14
<i>Zetland IV</i>	48	367
<i>Eden IV</i>	18	50
<i>Gymea III</i>	25	105
<i>Mascot II</i>	44	184
<i>Putney II</i>	25	691
<i>Quaama II</i>	3	6
<i>Stanmore</i>	4	14
<i>Ulong</i>	1	1
<i>Wellington</i>	14	58
<i>Zeehan</i>	2	7
<i>Como</i>	1	2
<i>Dalgety</i>	3	43
<i>Ebenezer</i>	1	4
Total	465	2868

* The numbers of prosecutions are not necessarily indicative of productivity as some lengthy investigations into high level criminal activity may consume large quantities of resources but result in

only a small number of (important) arrests.

COURT PROCEEDINGS AND APPLICATIONS

- 2.109 There were no legal challenges to Commission action or legislation administered by the Commission during 2001/02.
- 2.110 A number of cases were litigated under the CAR Act, but almost all of these were settled before final hearing. Those that proceeded to a hearing were largely determined on the facts of the individual case.

RELATIONSHIPS WITH OTHER AGENCIES

- 2.111 The Commission notes the proposal to merge the Australian Bureau of Criminal Intelligence and the Office of Strategic Crime Assessments into the Australian Crime Commission, which will replace the NCA.
- 2.112 The Commission is a strong supporter of the concept of a central intelligence agency to act as a clearing house for information of interest to the various law enforcement agencies in Australia, and to provide advice in relation to the allocation of resources nationally. The Australian Bureau of Criminal Intelligence has, in the past, been prevented from reaching its full potential in these areas, due to limits on the flow of information to it. It is hoped that inclusion of the national intelligence function in an organisation having an operational capacity will benefit the intelligence process, and that operational activity at the Australian Crime Commission and other agencies will be intelligence-driven.
- 2.113 The NCA has been an important partner of the Commission since it commenced operation. The substantial resources of the NCA have been made available to the Commission on occasions when the Commission did not have the capacity to act alone. A number of significant matters have been referred to the Commission by the NCA for confiscation since 1990. The Commission, for its part, has been able to provide financial

and electronic surveillance facilities to the NCA on occasions.

2.114 There is little that the Commission does alone. It works closely with the NSW Police, as well as the AFP, NCA and Independent Commission Against Corruption, and a number of other law enforcement, revenue and regulatory agencies. The significance of strategic partnerships such as these cannot be overstated. The efficiency achieved through the combination of agencies delivers significant public benefit. It is hoped that the Commission will be able to continue to work cooperatively with the Australian Crime Commission and other agencies in the future.

2.115 The Leaders Summit in April 2002 introduced a number of measures to overcome jurisdictional impediments and established a framework for collaborative work for law enforcement and national security agencies.

2.116 In some areas, such as computer based crime, there is a need to establish effective relationships with the private sector, where much of the expertise resides.

DRUG TRAFFICKING AND ORGANISED CRIME

2.117 The Act requires the Commission to report on patterns or trends and the nature and scope of crime observed during the year.

2.118 As with other enterprises conducted for profit, the level of organisation and sophistication in organised crime is improving, and renders some traditional methods of investigation inadequate. The use of communications systems, computers (to commit crimes and avoid detection), off-shore financial systems, professional services and new networks of criminals demand novel and sophisticated responses. Also, heightened levels of violence against victims, witnesses and law enforcement personnel require new levels of resolve on the part of investigators, legislators and administrators to advance the public interest. Corruption continues to be a factor, but the climate is changing as the

risks of detection and prosecution demonstrably increase.

Money laundering

2.119 Organised crime is usually conducted for profit. Finance needs to be provided for projects to generate the product. Money laundering is a factor in both financing crimes and accumulating the proceeds.

2.120 Money laundering continues to be a major problem for law enforcement agencies, with recovery of the proceeds of criminal activity being very small in comparison to the amount of money being generated and laundered. In addition, there are few successful prosecutions for money laundering under the existing state and Commonwealth legislation.

2.121 Currently, there are proposals for legislative reform through Commonwealth legislation to introduce a new money laundering offence that would sit between the current 'goods-in-custody' and money laundering offences. This new offence would be easier to prove than the current money laundering offence, and would provide state and Commonwealth law enforcement agencies with improved prospects of charging and prosecuting money laundering offenders. The Commission has proposed legislative reform in New South Wales. It is hoped that the Commonwealth legislation will obviate the need for reform of state laws.

2.122 Internationally, the events of September 11 have had a major impact on the money laundering landscape. The attacks have heightened awareness of the role of money laundering in the financing of terrorist activity and have prompted the Financial Action Task Force of the OECD to identify measures to combat the financing of terrorism. Compliance with these measures is being seriously pursued to encourage reform of secretive banking laws that hamper the global crackdown on money laundering, tax evasion and the financing of terrorism and organised crime. Internationally, there has been an examination of the methodologies used by money launderers and the environment in which money laundering

has been able to flourish. Particular emphasis is being placed on countries seen as havens for money launderers because of secrecy provisions and poor or non-existent regulatory systems. Sanctions have been placed on Nauru as a result of its perceived failure to cope with a flow of illicit funds, largely from Russia.

- 2.123 During the past year, the Commission has been involved in seizures of large amounts of cash that were in the process of being laundered through 'legitimate' businesses or transmitted off-shore. Both methods of laundering are extensively used, because they are difficult to detect and resistant to confiscation action.

Computer crime

- 2.124 Computer-based crime covers a broad area of criminal activity and includes the use of computers in the commission of other crimes (eg money laundering, fraud, and the creation of false identities) and the commission of crimes against computer systems (eg hacking).
- 2.125 Authors of the *2002 Australian computer crime survey* found that 67% of respondents had suffered a computer security incident in the previous year. This was twice the level of incidence reported in 1999. Statistics here, in the US and elsewhere indicate there has been a significant increase in all types of computer crime.
- 2.126 The Commission recognises that computer-based crime will increase in significance over the coming years.
- 2.127 In December 2001, the Commission was referred the *Ebenezer* Reference into computer-based crime and has established a joint task force on this subject with the NSW Police. To date, the task force has investigated a small number of hacking, fraud and extortion offences.
- 2.128 The Commission has made submissions to the government seeking amendments to Commonwealth laws that would enable remote access to computers used by criminals and the interception of telecommunications for the purpose of

investigating state-based computer offences.

Identity fraud

- 2.129 On several occasions during the reporting year, the Commission seized false passports, driver's licences and other identifier documents that had been created or amended using computers. Recently, during the execution of a search warrant by officers from Crime Agencies, a computer-based machine that produces driver's licences, which had been stolen from the Roads and Traffic Authority, was recovered from the home of a known criminal.
- 2.130 Identity fraud, through either identity manufacturing or identity theft, is used extensively to facilitate crime, avoid detection, conceal the proceeds of crime and avoid tax. It is estimated to cost the Australian community more than \$3.5 billion annually. Anecdotal evidence indicates that this cost will increase significantly in coming years if no effective action is taken.
- 2.131 Using modern technology, documents such as birth certificates, driver's licences, motor vehicle registration papers, credit cards and many other documents used to establish identity can be easily forged. Verification of the authenticity of these types of documents, when used for identification, remains a significant problem. Document issuing authorities have inconsistent responses to the problem.
- 2.132 Through consultation with representatives of both public and private sector institutions and examination of fraud detection systems in the private sector, the Commission found that attempts to capture and exploit new and historical data in relation to detected fraud, detected fraudulent identities and known cases of identity theft are either non-existent or fragmented. Where such databases did exist, access was limited and information was often not shared because of volume or due to commercial sensitivities. There was no system to facilitate the dissemination of information regarding identity fraud within or between private and public sector institutions.

2.133 The Commission recommended the establishment of an identity fraud database to record known false identities and instances of identity theft for use by law enforcement agencies and financial institutions. The Australian Bureau of Criminal Intelligence undertook a six-month pilot Identity Fraud Register to assist investigators. This central database registers fraudulent identities, stolen identities and known identity fraud offenders detected by a number of public sector agencies.

2.134 All state and territory police agencies and twelve Commonwealth and other state government agencies are participants in the pilot, as are some private sector financial institutions. The success of this project led to it being extended until 31 December 2002. It is expected that final evaluation of the pilot will provide a sound case for its permanent and wider implementation.

2.135 The Commission wishes to see further work in this area to establish a workable verification system for the operation of a range of public and private processes.

Motor vehicle rebirthing

2.136 On 3 September 2001, the Commission was referred the *Zeehan* Reference to investigate persons who are involved in, or suspected of involvement in, organised motor vehicle rebirthing and offences involving motor vehicle-related larceny and theft. In part, the *Zeehan* Reference arose from investigations under the *Azure* Reference, during which the Commission noted the increasing involvement of Australian/Lebanese criminals in organised motor vehicle rebirthing. These criminals are suspected of a range of activities, including theft, stripping, auction purchases, VIN (Vehicle Identification Number) transfers and forging, repairs/rebuilding, sales, export and false insurance claims. There is also evidence of associated crime such as identity fraud, corruption, extortion and violence.

2.137 Australian insurance companies currently accept \$750 million of claims for stolen motor vehicles annually. Statistics show that approximately 130,000 cars were stolen around

Australia in 2000; this represented a 17% increase over the previous seven years. Australia is reported to have the second highest number of motor vehicle thefts per capita in the world. Approximately 9% of reported motor vehicle thefts are solved by police, with the vast majority of those arrested being young males aged between fourteen and twenty years. Few of these offenders are involved in professional motor vehicle rebirthing, although intelligence indicates that professional motor vehicle rebirthers employ young males to steal cars on their behalf.

2.138 Motor vehicle theft claims in New South Wales rose by more than 30% in the five years between 1993/94 and 1999/2000. In this same period the cost of claims rose by 130%. The disproportionate increase in cost is due to the increasing proportion of stolen motor vehicles that are either not recovered or recovered as total losses, indicating a dramatic rise in the incidence of professional theft. Innocent purchasers of rebirthed vehicles also suffer financial losses when their vehicles are seized by police. Motor vehicle theft, including motor vehicle rebirthing, is estimated to cost the Australian community in excess of \$1 billion annually, with the cost to New South Wales estimated at \$388 million.

2.139 It is estimated that, of the 100,000 written-off vehicles sold at auction in Australia annually, two thirds are so badly damaged that they could only be used for parts. Some of these vehicles realise a price that is higher than the value of the salvageable components because of the value of their identifying numbers.

2.140 Vehicle theft offers professional thieves a high financial return with a low risk. From investigations conducted by NSW Police Strike Forces *Mask*, *Lancer* and *Ranger*, it has become apparent that some suspects involved in motor vehicle rebirthing are making substantial profits. Insurance sources estimate that one family has earned \$8.5 million from motor vehicle rebirthing since January 2000. Criminal gangs have been known to use violent standover tactics to ensure their prosperity in the motor vehicle rebirthing trade: in one case, a person was shot for outbidding a

- competitor at a car auction. Rebirthed cars are also being used during the commission of other crimes.
- 2.141 There is a substantial trade in export of stolen and rebirthed vehicle parts to Middle Eastern countries such as Lebanon and Jordan.
- 2.142 Criminals involved in 'resurrection' (stealing a vehicle, stripping its parts and buying the wreck) are often involved in the motor vehicle industry, usually owning their own smash repair and tow truck companies. Statistics indicate that the number of such businesses in NSW, relative to other states, is not commercially sustainable without unlawful rebirthing activity. Persons connected to the motor trades industry are also engaged in professional motor vehicle theft and rebirthing.
- 2.143 Under current legislation, motor vehicle rebirthing itself is not an offence. There are offences relating to the various stages of motor vehicle rebirthing operations, such as possession of stolen property, fraud or motor vehicle theft. However, the penalties do not reflect the seriousness of the organised crime involved.
- 2.144 A working group tasked with reviewing current legislation has been established and includes representatives from the Commission, the insurance industry, NSW Police, the Department of Fair Trading, the Motor Traders Association and the Attorney-General's Department. The group made several recommendations, including the creation of a specific offence of motor vehicle rebirthing-related activities, with heavy penalties.
- Criminal gangs
- 2.145 The operation of gangs has been evident in investigations under a number of Commission References, including *Azure*, *Gecko*, *Vacy* and *Zetland*, over a lengthy period. Over the past year, gangs and the crimes they commit have become the focus of a number of investigations, including investigations relating to murder, sexual assault, extortion, motor vehicle rebirthing and drug trafficking.
- 2.146 The NSW Police investigated a series of sexual assaults committed by gangs of Australian/Lebanese offenders on young women. These males were usually aged between 13 and 21 years and their targets were females from non-Lebanese backgrounds aged between 13 and 18 years. The attacks appeared to be largely opportunistic, with occasional planning by one or more of the offenders resulting in the arrival of numerous other offenders at pre-arranged locations. The similarities of the offences led the Commission to further investigate the matters under the *Azure* Reference. Such activity is well known overseas; in France it has a specific name, *tournantes*. There is substantial debate as to the causes of this type of crime. It is clear from the experience in Sydney that, at least in the case of some offenders, the public outcry and the criminal penalties do not operate as a significant deterrent to some offenders.
- 2.147 Outlaw Motorcycle Gangs (OMCGs) continue to be involved in a number of offences investigated by the Commission, including drug offences, particularly the manufacture of amphetamines, firearms offences and money laundering. The largest amphetamine manufacturing operations discovered in New South Wales in 2001 were linked to OMCGs.
- 2.148 Australia-wide, there are approximately 5000 full members of OMCGs; however, it should be noted that their associates constitute about ten times this number. The Rebels OMCG is the largest OMCG in Australia. Some criminal enterprises are conducted by the gangs and some are conducted by individual members independently.
- 2.149 Some of the criminal activities carried out by OMCGs in Australia, and other parts of the world, have become more sophisticated. This has been particularly evident in OMCG money laundering activities: OMCGs are now more likely to involve professional associates, such as accountants, and are increasingly involving themselves in diverse 'legitimate' business interests. They are also now more likely to involve other criminal networks, and there has also been a move towards multicultural

membership, which was previously contrary to club rules. Associations with Asian and Australian/Lebanese gangs, for the supply of drugs and firearms, is now more common.

- 2.150 It is the Commission's view that the targeting of groups, such as the gangs mentioned above, remains a legitimate and efficient methodology in the investigation of organised crime.

Firearms

- 2.151 During the 1990s, the Commission and other Australian law enforcement agencies observed an increase in the use of handguns. Organised crime groups, such as Middle Eastern gangs, Asian gangs and OMCGs, began carrying and using high calibre handguns, mainly cheap imported copies of semi-automatic pistols. Numerous shooting incidents occurred across Sydney and New South Wales, including murders, knecappings and drive-by shootings. Law enforcement agencies had not previously specifically targeted firearm-related crime, but, in the face of this growing problem, a coordinated and targeted response was initiated.

- 2.152 In 1999, the *Putney* Reference was referred to allow the Commission to investigate firearms offences and firearm-related crime. The Commission has worked in collaboration with the NSW Police on a number of investigations into firearms trafficking and is active in advising the government on reform of firearm legislation.

- 2.153 In New South Wales, the *Firearms Act 1996* has been amended by the *Firearms Amendment (Trafficking) Act 2001*, which focuses on offences related to the crime of firearms trafficking. The amended Act provides for increased maximum penalties for some firearms trafficking offences: in some cases, penalties of up to twenty years apply. The Customs (Prohibited Import) Regulations have been amended to make the conditions for legally importing firearms more stringent, in order to reduce the number of weapons being stockpiled and then diverted onto the black market. Law enforcement agencies in New South Wales and

across Australia have adopted a coordinated approach to tackling firearms trafficking, successfully working together and sharing intelligence to combat this problem.

- 2.154 Intelligence has highlighted the opportunistic nature of firearms supply. Those who supply firearms do so for a variety of reasons, especially financial gain. Often offenders who illegally obtain and utilise firearms are engaged in other criminal activities, including drug supply, vehicle theft and offences of violence. Research conducted in the United States indicates that increases in firearm-related violence correlates with an increased narcotics trade. Although trends indicate the same may be true in Australia, New South Wales firearm offences do not appear to be so closely linked with the narcotics trade.

- 2.155 Unlike the illicit trafficking of drugs, the dimension of the problem of the illicit trafficking of firearms is such that there can be confidence that, through concerted reform and unified enforcement practices, it can be reduced to a manageable level in the foreseeable future. A large proportion of illegal guns appear to have been supplied by a relatively small number of individuals, in some cases, licensed dealers, operating illegally. If the activities of these suppliers are targeted, there will be a significant impact on the flow of illicit firearms.

- 2.156 The Commission supports the further reform being promoted by New South Wales and other states at national fora and is hopeful that the necessary uniformity and concerted action can be achieved in the short-term.

Availability of heroin

- 2.157 The heroin drought, which was referred to previously by the Commission and every Australian law enforcement agency last year, has continued into this financial year. In the domestic heroin market, it has been reflected in an increase in the price of heroin and a decrease in both the purity and use of heroin at street level. The Bureau of Crime Statistics and Research has reported a decrease in the number of heroin overdoses and Narcon

administrations and a decrease in the number of syringes and needles dispensed. As the year draws to a close, there are signs that the drought may have broken.

- 2.158 The drought in Australia has been affected by a number of factors. The majority of heroin previously seized in Australia is sourced from Myanmar, where crop levels have been poor in recent years due to climatic conditions. In addition, syndicates that traditionally imported heroin have diversified into the importation of other illegal drugs, such as amphetamine type substances (ATS), for which there is greater demand. Unlike heroin, the manufacture of ATS is not affected by factors such as climate and can, therefore, be undertaken throughout the year. Also, in Australia and South-East Asia, law enforcement agencies are continuing to seize large amounts of heroin. Most notable this year was the seizure by the AFP of 378 kilograms of heroin in Brisbane. The majority of this heroin was undoubtedly destined for the Sydney market. Late last year, 672 kilograms of heroin were seized in China. Perhaps most significantly, from a law enforcement point of view, there have been arrests of persons who have historically been major heroin importers.

Importation of amphetamines

- 2.159 The Commission has previously reported on the threat posed by ATS, the most widely abused illicit powder drug, constituted by methamphetamine, ecstasy (MDMA) and derivatives. It should be noted that the product sold as 'ecstasy' in Australia is often, in fact, methamphetamine.
- 2.160 Some critical factors have been the diversification of traffickers into other drug types, the availability of precursors, user attitudes to heroin, independence from climatic conditions and the increase in importation.
- 2.161 Importations of all ATS into Australia have increased in the last two years. The larger quantities of ecstasy seized at the Australian border, relative to the number of detections, suggest that there has been a shift from small-scale importations to larger, more professional importations. In particular, there appears to have been a shift towards bulk shipments in commercial sea cargo consignments.
- 2.162 Ecstasy has been detected entering Australia from as many as twenty-one countries. The majority originates from Western Europe, in particular, the Netherlands. There is an increasing trend for ecstasy manufactured in Europe to be transshipped through South-East Asia, especially through Malaysia and Indonesia.
- 2.163 Ethnic Chinese criminal groups in Australia, which have traditionally been associated with large-scale heroin importations, are becoming involved in ATS importations. Of the twelve largest ecstasy seizures by Australian law enforcement agencies (as at November 2001), the majority involved members of ethnic Chinese criminal groups. Intelligence indicates that South-East Asian organised crime groups are not limited to a single commodity, but are driven by profit, market opportunities and criminal networks. The importation of ATS into Australia will continue to rise given that ATS are cheaper and easier to produce than heroin, Australia has a much larger market for ATS than heroin and traditional Asian heroin importation and distribution networks can be used to import ATS, which is readily available overseas.
- 2.164 The Australian Bureau of Criminal Intelligence advises that MDMA is currently being produced in Myanmar and large-scale production of 'ice' is known to occur in China. The official *People's daily newspaper* in the People's Republic of China reported that police had recovered 596 kilograms of 'ice', 630,000 ecstasy tablets and 4,035 kilograms of heroin in the first six months of 2002.
- 2.165 European criminals currently maintain a high degree of involvement in the importation of ecstasy into Australia. A recent case involving multiple importations over an extended period illustrates the involvement of European criminals in the importation and distribution of ATS. Ongoing investigations have revealed a syndicate involved in the large scale importation

- and distribution of ecstasy that operates in Australia, the UK, Indonesia, Japan and Holland. The majority of syndicate members are British or European nationals, although they recruit local people in each country to act as couriers, rent safe houses, store facilities, and receive and distribute the drugs. Both local and overseas persons are used to collect and courier money out of Australia. Syndicate members communicate via a shared internet-based email address.
- 2.166 The syndicate imports the ecstasy into Australia using freight-forwarding companies and it appears that packages have been sent via Perth, Darwin and Sydney. The majority of the ecstasy is sourced from Holland or Germany, due to its high quality, although there have been occasions when it has been sourced from Indonesia. The group had been importing approximately six or seven shipments annually for the past four years, each shipment comprising approximately 30,000 to 50,000 tablets. At a wholesale price of \$11 to \$14 per tablet, these shipments generate approximately \$2 million to \$5 million annually for this group.
- 2.167 Investigations under the *Gymea* Reference continue to focus on organised criminal networks that have been in existence for many decades. The drug trafficking activities of these networks have progressed from cannabis importations in the past to cocaine, ecstasy and larger cannabis importations more recently. These networks have also been found to supplement their drug trafficking activities with organised theft.
- 2.168 Investigators have found that various separate networks are now more likely to work together to achieve their objectives. The prevalence of the use of fraudulent identities as well as the keeping of safety deposit boxes and offshore bank accounts has also been noted. There has also been a shift towards the use of overseas companies, lawyers and accountants. Commission confiscation action has been one of the few effective tools against network principles, who tend to distance themselves from day-to-day criminal activities.
- 2.169 A recent incident revealed that a criminal from the United Kingdom who had previously been sentenced to a term of imprisonment in Australia and deported upon completion of sentence had returned to Australia using a false passport. This led to an investigation into the activities of an extensive ATS-trafficking and money laundering syndicate operating in Australia on behalf of a larger United Kingdom syndicate. The objective of this Australian syndicate was to collect payment for a recent importation of drugs into Australia and to assist in the laundering of monies overseas. Electronic and physical surveillance revealed the Australian syndicate to be laundering money and dealing in a variety of prohibited drugs. A number of arrests were made and search warrants executed, resulting in the seizure of commercial quantities of drugs and several million dollars. This is but one detected instance of what is believed to be a series of importations conducted by this particular group. The quantity and variety of imported ATS in Sydney, particularly ecstasy, would suggest that there are a number of other such operations in existence.

CHAPTER THREE

LEGAL CHANGE

COMMISSION LEGISLATION

- 3.1 There were no changes to the CAR Act or to the NSW Crime Commission Act during the year.
- 3.2 A committee has been established by the Attorney-General's Department to review the CAR Act and the *Confiscation of Proceeds of Crime Act 1989* (COPOC Act) in response to the recommendations of the *Drug Summit*. It has not yet produced any recommendations. The Commission has made recommendations during the course of the year regarding changes to the NSW Crime Commission Act.

OTHER LEGISLATION

- 3.3 After many years of active consideration, the NSW Attorney-General's Department is continuing to coordinate proposed amendments to surveillance legislation. The Commission is hopeful that this long overdue reform will be achieved soon.
- 3.4 *Changes to the Telecommunications (Interception) Act 1979* (Cwlth) have been made and further changes are proposed. The Commonwealth is hopeful that the Telecommunications (Interception) Act will be amended to specifically permit use of intercepted evidence in civil-based confiscation action. New legislation concerning proceeds of crime that will establish a civil-based regime at the Commonwealth level has been introduced to the Commonwealth Parliament.
- 3.5 As part of a wide-ranging Commonwealth program, there are likely to be changes to money laundering laws and the NCA that will impact on the Commission's operations.
- 3.6 Further proposals for uniform firearms legislation are due to go before the relevant ministerial council in July 2003.

CHAPTER FOUR

CONFISCATION

BACKGROUND

4.1 The Commission administers the *Criminal Assets Recovery Act 1990* (the CAR Act).

4.2 There are three principal objects of the CAR Act:

- . to provide for the confiscation, without requiring a conviction, of property of a person if the Supreme Court finds it to be more probable than not that the person has engaged in serious crime related activities
- . to enable the proceeds of serious crime related activities to be recovered as a debt due to the Crown
- . to enable law enforcement authorities effectively to identify and recover property.

4.3 A serious crime related activity is a serious drug trafficking offence under the *Drug Misuse and Trafficking Act 1985*; an offence punishable by imprisonment for five years or more and involving theft, fraud, obtaining financial benefit from the crime of another, money laundering, extortion, violence, bribery, corruption, harbouring criminals, blackmail, obtaining or offering a secret commission, perverting the course of justice, tax or revenue evasion, illegal gambling, forgery or homicide; or an offence of attempting to commit or of conspiracy or incitement to commit, an offence referred to above.

4.4 On 1 July 2001, amendments to the CAR Act were made, expanding serious criminal activity to include firearms trafficking and drug premises offences.

4.5 The CAR Act provides for the Commission to make application to the Supreme Court for:

- . restraining orders preventing dealings with the property of persons reasonably suspected of

having engaged in serious crime related activity or of persons whose interests in property are reasonably suspected of being property derived from serious crime related activity

. assets forfeiture orders for the forfeiture of property subject to a restraining order

. proceeds assessment orders assessing the value of proceeds derived by a person from illegal activities

. search warrants, production orders and monitoring orders to allow property, documents and information to be obtained, so that property and the sources of that property can be located and identified.

4.6 Assets forfeiture orders and proceeds assessment orders can only be obtained if the Commission can establish, upon the civil onus of proof, that the person whose suspected serious criminal activity was the basis of the restraining order did, in fact, engage in a serious criminal activity within a six-year period prior to the making of the Commission's application.

RESTRAINING ORDERS

4.7 During 2001/02, the Commission obtained 159 restraining orders under the CAR Act, compared with 118 for the previous year. Of those, some were obtained on the basis that the persons, who in some instances included corporate entities, were reasonably suspected of having property that was derived from the serious criminal activities of another person, and the balance were obtained on the basis that the persons whose properties were restrained were reasonably suspected of having engaged in a serious crime related activity. In all cases in which the Commission obtained restraining orders, the Commission filed a summons seeking either an assets forfeiture order or a proceeds assessment order, or both, within the forty-eight hour period provided in section 10(9) of the CAR Act.

- 4.8 The 1,197 restraining orders obtained under the CAR Act since 3 August 1990 are made up as follows:

Year	Restraining Orders
1990/91	57
1991/92	59
1992/93	24
1993/94	44
1994/95	73
1995/96	95
1996/97	145
1997/98	166
1998/99	101
1999/00	156
2000/01	118
2001/02	159
Total	1197

- 4.9 Potential subjects of confiscation proceedings are now well aware of the impact of the CAR Act and other proceeds of crime legislation and are devoting greater effort and resources to the laundering of crime proceeds and the concealment of their assets. Commonly, aliases or the names of other persons are used to conceal the identity of the beneficial owner of assets. All law enforcement agencies, including the Commission, are having to work harder to identify and restrain property and to allocate an increasing proportion of resources to pre-litigation investigation work.

- 4.10 The restraining orders obtained during 2001/02 followed referrals from the sources set out below:

Orders	Referring agency	Estimated value
89	NSWP	17,069,874
15	AFP	8,272,907
17	NSWCC/AFP/NSWP	7,632,170
14	NCA	3,232,577
8	NSWCC	2,533,587
11	JACG (AFP/NSWP/ACS/NCA/NSWCC)	2,046,693
4	Financial institutions	410,833
1	NSWP/NSWCC	99,995
159	Total	\$41,298,636

ASSETS FORFEITURE ORDERS AND PROCEEDS ASSESSMENT ORDERS

- 4.11 A proceeds assessment order is directed at recovering monies that can be shown to have been generated by illegal activity, whereas an assets forfeiture order attaches to so much of a person's property as cannot be shown to have been lawfully acquired.

- 4.12 During 2001/02, the Commission completed fifty applications for assets forfeiture orders, usually by way of negotiated settlement without proceeding to a hearing. Orders were obtained that property having an approximate total value of \$7,415,958 be forfeited to the Crown. The property forfeited included motor vehicles, jewellery, real property, cash and funds held in bank accounts. Also included was an amount of \$520,000, being the approximate value of a bank account held in Jersey, Channel Islands, that was confiscated by the Royal Court of Jersey and retained by the Jersey authorities as a result of the Commission investigation.

- 4.13 During 2001/02, the Commission completed twenty-six applications for proceeds assessment orders by way of negotiated settlement, resulting in orders that a total of \$2,516,009 be paid to the Treasurer.

- 4.14 The following tables enable a comparison to be made between the results detailed above to those quoted in the last ten annual reports.

Year	Assets forfeiture orders	Proceeds assessment orders	Total confiscation orders
1990/91	4	1	5
1991/92	18	1	19
1992/93	26	10	36
1993/94	16	2	18
1994/95	33	5	38
1995/96	57	24	81
1996/97	50	17	67
1997/98	128	46	174
1998/99	82	40	122
1999/00	84	31	115
2000/01	70	18	88
2001/02	50	26	76
Total	618	221	839

Chapter Four: Confiscation

Year	Assets forfeiture orders (realisable amount)	Proceeds assessment orders (realisable amount)	Total realisable confiscation orders
90/91	118,515	Nil	118,515
91/92	650,000	500	650,500
92/93	2,673,528	450,000	3,123,528
93/94	1,298,000	230,000	1,528,000
94/95	3,031,739	344,900	3,376,639
95/96	3,567,890	1,537,118	5,105,008
96/97	3,193,943	789,402	3,983,345
97/98	7,500,712	2,651,580	10,152,292
98/99	4,681,108	4,704,931	9,386,039
99/00	8,916,853	2,098,446	11,015,299
00/01	7,937,925	807,000	8,744,925
01/02	6,895,958	2,516,009	9,411,967
Total	\$50,466,171	\$16,129,886	\$66,596,057

4.15 It is useful to compare the results from the commencement of the CAR Act on 3 August 1990 to date with the cost to government of the confiscation litigation function.

4.16 The following table illustrates the comparison.

Year	Realisable confiscation orders (including legal costs recovered)	Cost of confiscation litigation function
1990/91	118,515	1,630,000
1991/92	650,500	2,320,000
1992/93	3,123,528	2,694,000
1993/94	1,528,000	2,081,000
1994/95	3,376,639	1,641,404
1995/96	5,196,108	1,697,727
1996/97	4,000,345	1,175,802
1997/98	11,025,605	1,613,330
1998/99	10,039,970	2,243,000
1999/00	12,046,483	2,199,923
2000/01	9,515,138	2,141,737
2001/02	11,071,060	2,073,817
Total	\$71,691,891	\$23,511,740

4.17 The sources of referrals for the total amount of realisable confiscation orders, including legal costs recovered for the 01/02 year, being \$11,071,060, are as follows:

Referring agency	Number of confiscation and cost orders	Amount
NSWP	54	6,454,200
NSWCC	5	2,291,000
NSWCC/		
AFP/NSWP	4	864,550
JACG	4	405,180
AFP	6	374,728
NCA	8	340,154
NSWCC/		
NSWP	1	175,996
Financial institutions	4	165,432
Total	86	\$11,071,240

4.18 Of the total amount of realisable confiscation orders and costs recovered, 81.6% related to matters involving drug offences and the balance related to offences as follows:

Offence	Amount	%
Money laundering	920,482	8.3
Theft, receiving, fraud	781,849	7.1
Violence, extortion, homicide	329,000	3.0
Total	\$2,031,331	18.4

4.19 During the year, one exclusion order, which reduced the amount of assets forfeiture orders of previous years was made:

Year	Number of orders	Value
1999/00	1	60,000
Total	1	\$60,000

4.20 Nine applications to exclude property from assets forfeiture orders are outstanding. They were lodged in respect of property valued at approximately \$1,095,593. All of these applications relate to assets forfeiture orders made in prior years.

4.21 As at 30 June 2002, potential exists in respect of three assets forfeiture orders for application to be made to exclude property from the orders within six months of the date that the orders were made. The value of assets in respect of these three assets forfeiture orders is in the vicinity of \$442,443.

4.22 The cost of the confiscation litigation function includes all capital costs and employee-related expenses, but does not include general overheads borne by the Commission prior to the

commencement of the confiscation function.

- 4.23 There was a 3.2% decrease in the cost of the confiscation litigation function in 2001/02 over 2000/01. The budget for the cost of confiscation litigation for 2002/03 is \$2,147,000, with the monetary value of confiscation orders projected to be not less than \$12,000,000.

- 4.24 The confiscation litigation function has been revenue positive since July 1994 and is expected to remain revenue positive.

PRODUCTION ORDERS

- 4.25 Section 33(1) of the CAR Act provides that an authorised officer who has reasonable grounds for suspecting that a person has possession or control of property-tracking documents may apply, *ex parte*, to the Supreme Court for an order against that person requiring that person to produce to the Commission such documents as are in that person's possession or control, or, in the case of bankers' books, to produce all relevant documents for inspection by the Commission.

- 4.26 Production orders are the means by which the majority of documents relevant to proceedings commenced by the Commission are obtained, unless the person against whom proceedings have been commenced also falls within the terms of a Commission Reference. During 2001/02, the Commission applied for and obtained thirty-eight production orders (805 notices to produce pursuant to section 17 of the NSW Crime Commission Act were also issued in respect of confiscation matters that fell within a Commission Reference).

SEARCH WARRANTS

- 4.27 An authorised officer of the Commission, which includes a member of the NSW Police, may apply, in certain circumstances, to an authorised justice for the issue of a warrant pursuant to section 38 of the CAR Act, to search premises for serious crime derived property, illegally acquired property,

evidence of a serious crime related activity, evidence of illegal activity of a person reasonably suspected of having been engaged in serious crime related activities and property that is subject to a restraining order. In 2001/02, one search warrant was issued pursuant to these provisions.

- 4.28 Pursuant to sections 44 and 45 of the CAR Act, an authorised officer of the Commission, which includes a member of the NSW Police, may apply to the Supreme Court for a warrant authorising the search of premises for property-tracking documents.

- 4.29 During 2001/02, the Commission successfully applied for the issue of 104 warrants under these provisions.

MONITORING ORDERS

- 4.30 Section 48 of the CAR Act provides that an authorised officer may make an *ex parte* application to the Supreme Court for a monitoring order. Such orders direct financial institutions to give the Commission financial information obtained by the institution about transactions conducted by a particular person with the institution.

- 4.31 In 2001/02, no monitoring orders were applied for pursuant to these provisions. The fact that no monitoring orders were sought by the Commission is due, in part, to the fact that the Commission made extensive use of section 51 of the CAR Act, which enables financial institutions to provide information to the Commission upon request.

THE DPP OFFICES

- 4.32 The Offices of the State and Commonwealth Directors of Public Prosecutions each have a statutory role to play in the area of forfeiture of criminal assets through the *Confiscation of Proceeds of Crime Act 1989* (NSW) (COPOC Act), the *Customs Act 1901* (Cwlth) and the *Proceeds of Crime Act 1987* (Cwlth).

4.33 The Commission has maintained its links with both offices and liaises with them in respect of operational and policy matters.

making of a confiscation order, or

(b) might otherwise be of assistance in the enforcement of this Act or the regulations,

THE COPOC ACT

4.34 On 22 March 1993, a regulation pursuant to the COPOC Act empowering the Commission to take proceedings for restraint and forfeiture of tainted property in indictable drug matters under the Drug Misuse and Trafficking Act was gazetted. The purpose of this regulation is to minimise overlap in functions of the NSW Director of Public Prosecutions and the Commission in respect of the forfeiture of the property of persons involved in drug crime.

the institution may give the information to the Commission.

4.40 The Commission has obtained information pursuant to section 51 on numerous occasions.

4.41 The assistance provided by both banking and other financial institutions has been essential to the confiscation function.

4.35 Each matter referred to the Commission for assessment of confiscation action under the CAR Act is also assessed for confiscation action under the COPOC Act.

4.36 During 2001/02, no restraining orders were obtained under the COPOC Act.

INTERNATIONAL INQUIRIES

4.42 In an increasing number of matters investigated by the Commission, there has been evidence to suggest the removal of funds offshore and the acquisition of property in foreign jurisdictions. In such cases, the Commission has made requests through the Commonwealth Attorney-General's Department for documents relevant to the Commission's investigations to be obtained from foreign jurisdictions. The Commission's experience of such inquiries has been that little is achieved and long delays are involved; however, liaison with the Commonwealth Attorney-General's Department is ongoing.

AUSTRALIAN TAXATION OFFICE

4.37 During 1995/96, the Commission and the ATO entered into a memorandum of understanding that set guidelines for dealing in matters of mutual interest. The Commission maintains good working relations with the ATO.

4.43 In confiscation proceedings commenced by the Commission in respect of the interest in property of two persons in a bank account in Jersey, Channel Islands, the Royal Court of Jersey forfeited the funds in the account, which amounted to GBP188,676.30 or approximately AUD520,000. These funds were paid into the island's Drug Trafficking Confiscation Fund.

FINANCIAL INSTITUTIONS

4.38 As a result of the large numbers of production orders obtained under the CAR Act and notices issued under section 17 of the NSW Crime Commission Act, the Commission has established close liaison with the state's major banks and building societies.

4.39 Section 51 of the CAR Act provides:

(1) If a financial institution has reasonable grounds for believing that information it has about a transaction with the institution:

(a) might be relevant to an investigation of a serious criminal activity or the

4.44 The Commission is continuing to detect offshore assets of offenders and is concentrating more effort in the tracing of assets in foreign jurisdictions.

SUPREME COURT AND DISTRICT COURT

4.45 The work generated by the confiscation function continued to place further demands upon the resources of the Supreme Court, in particular upon the Criminal Registry and Common Law listing staff. The assistance provided by those staff has facilitated the operations of the Commission, as has the assistance given by the District Court Criminal Registry, which provides access to files and certificates of conviction.

4.46 At the end of the year, the number of matters before the Supreme Court was 162, a 53% increase from 2000/01.

NSW POLICE CRIME AGENCIES AND OTHER POLICE

4.47 The contribution of the NSW Police to the litigation commenced by the Commission has been substantial.

4.48 During 2001/02, a total of 361 matters were referred to the Commission for assessment of confiscation action under the CAR Act and/or COPOC Act.

4.49 The following table sets out the number of matters referred to the Commission each year since 3 August 1990:

Year	Number
1990/91	346
1991/92	637
1992/93	828
1993/94	898
1994/95	832
1995/96	674
1996/97	432
1997/98	381
1998/99	566
1999/00	650
2000/01	531
2001/02	361

4.50 The number of restraining orders obtained (relative to the large number of matters referred to the Commission) is due partly to the fact that police arrest large numbers of persons who habitually deal in indictable quantities of illicit drugs without acquiring substantial assets that are discoverable by the Commission.

PUBLIC TRUSTEE

4.51 The Public Trustee has two significant roles under the CAR Act: the first is the management of property placed in its control pursuant to orders obtained under sections 10 and 12; the second is the realisation of property subject to forfeiture or proceeds assessment orders under the CAR Act. Close liaison with the Public Trustee has been established to ensure that, in those matters where property has been placed in the Trustee's control, property forfeited is promptly recovered.

CONFISCATED PROCEEDS ACCOUNT

4.52 Monies realised from the sale of property forfeited under the CAR Act and monies received by the Treasurer pursuant to proceeds assessment orders are credited to an account administered by the Treasurer called the Confiscated Proceeds Account. The proceeds of that account may be applied to administering the CAR Act, victims' compensation, law enforcement, drug rehabilitation or drug education.

TRAINING

4.53 There is a continuing need for law enforcement to improve its ability to identify, locate and recover laundered proceeds of crime and assets in both local and foreign jurisdictions. The Commission has gained significant experience and skills in those areas since the commencement of the CAR Act.

CHAPTER FIVE

GENERAL MANAGEMENT

GENERAL MANAGEMENT

5.1 Mr Phillip Bradley is the Commissioner and the sole Member of the Commission. He is also the Chief Executive Officer.

5.2 Mr John Giorgiutti is the Director of the Commission and Solicitor to the Commission.

5.3 The Commission is divided into two Divisions: Operations and Operations Support. The Operations Division comprises several operational teams, each headed by an Assistant Director. The Operations Support Division is also headed by an Assistant Director.

5.4 The Commissioner, Director and Assistant Directors constitute the Management Team, which is responsible for the Commission's strategic planning and for the achievement of its aims and objectives.

5.5 The structure of the organisation can be found in Appendix D.

ADMINISTRATIVE OFFICE

5.6 The address, telephone, facsimile and DX numbers, the Commission's web site and the business hours of the Commission's office are shown on the inside front cover of this report.

STAFFING

5.7 In 2001/02, the establishment comprised positions under the *Public Sector Management Act 1988* and staff employed directly by the Commission pursuant to section 32 of the NSW Crime Commission Act.

5.8 At the end of the reporting year, the number of permanent staff employed by the Commission was 103. The categories of staff comprising the establishment are tabulated below. A comparison with the staffing levels of the previous three years is included.

	01/02	00/01	99/00	98/99
Statutory officers	1	1	1	1
SES	0	0	0	0
PSM Act	15	15	16	16
Direct employees	87	72	74	76
Total	103	88	91	93

SENIOR EXECUTIVE SERVICE POSITIONS

5.9 During the reporting year, there were no officers employed as Senior Executives under the Public Sector Management Act.

5.10 The Management Team includes the following:

- . Director and Solicitor to the Commission
- . Assistant Director, Investigations (two positions)
- . Assistant Director, Financial Investigations
- . Assistant Director, Operations Support

5.11 Names of the incumbents and the dates of their appointment are shown in the first section of this report.

5.12 Each of these officers is employed pursuant to a contract of employment with the Commission that provides for review on an annual basis. These contracts do not provide for levels, as occurs in SES contracts. The terms of the contracts are expressly confidential. In those cases where performance review was tied to salary, each officer's performance was assessed to be satisfactory and incremental adjustment to remuneration was made. Performance reports can be found in Appendix C.

5.13 The Commissioner is not part of the Chief Executive Service. His appointment is pursuant to the NSW Crime Commission Act and his remuneration is set by the Statutory and Other Offices Remuneration Tribunal. As an independent statutory office-holder, he is not subject to formal performance appraisal. His remuneration package was set by the tribunal in October 2001 at \$300,000.

EQUAL EMPLOYMENT OPPORTUNITY

- 5.14 The Commission's Equal Employment Opportunity (EEO) statistics for 2001/02 have been completed in the context of the NSW Premier's Department's annual workforce survey.
- 5.15 The Commission works with the Office of the Director of Equal Opportunity in Public Employment to develop strategies to enhance employment equity. The Commission takes the view that its EEO profile, as reflected in the following statistics, demonstrates that its strategies have been successful.
- 5.16 In particular, the Commission employs 55% women. This year, of the staff recruited to join the Commission, 62% were women and 25% were from an ethnic or religious minority.
- 5.17 Over the past two years the Commission has employed four trainees under the government's trainee scheme. This has been very successful and the Commission plans to recruit further trainee officers in 2002/03.
- 5.18 The following tables contain EEO statistics for 2001/02. Comparative data from past years can be found in previous annual reports of the Commission.
- 5.19 Representation and recruitment of target groups (Aboriginal or Torres Strait Islanders (ATSI), people with a physical disability, people from a racial, ethnic or religious minority (REMG), and women):

Target group	Total staff 2001/02	Recruited 2001/02
All	103	16
ATSI	1 (1%)	0
Disabled	4 (4%)	0
REMG	20 (19%)	4 (25%)
Women	57 (55%)	10 (62%)

- 5.20 Representation of EEO target groups by level 2001/02:

Grade	Total staff	Women	REMG
Above Grade 12	16	2 (12%)	2 (12%)
Grades 10 – 12	13	5 (38%)	5 (38%)
Grades 6 – 9	23	16 (69%)	4 (17%)
Grades 3 – 5	29	19 (65%)	6 (21%)
Grades 1 – 2	8	4 (50%)	1 (12%)
CO1 – Grade 1	14	11 (78%)	2 (14%)
Below CO1	0	0	0
Total	103	57 (55%)	20 (19%)

STAFF TRAINING

- 5.21 The Commission continued its very successful program of information seminars for staff during the year. The sessions are available to all staff on a voluntary basis and cover a wide variety of topics related to law enforcement. The sessions were attended by a large proportion of staff.
- 5.22 One staff member attended the four-week 'Management of Serious Crime' course conducted by the AFP at Barton College, Canberra.
- 5.23 With the new venture into the investigation of computer-based crime, the Commission has sponsored a number of training programs and hosted the visit of a US expert in investigation software, who conducted a four-day computer forensics program for computer crime investigators from around Australia at the Commission's premises.
- 5.24 One senior financial investigator spent six weeks working with the US National Drug Intelligence Centre, developing an understanding of their processes and analysis tools.
- 5.25 All analysts were trained during the year in the use of the NSW Police case management system, which has been adopted by the Commission.

NSW GOVERNMENT ACTION PLAN FOR WOMEN

- 5.26 The NSW Government is committed to the principles of access, equity, rights and participation of women in the life and business of the state.
- 5.27 The Commission recognises the role it plays in the promotion of the policy. Fifty-five per cent of the Commission's staff are female, and there is female representation at the senior executive level.

- 5.28 As an agency working in the area of criminal justice, the Commission acknowledges and is committed to its responsibilities in respect of women's 'access to justice and equality before the law'.

INTERNAL AUDIT

- 5.29 The Commission has an Internal Audit Committee that undertakes a range of audits and performance reviews on specified subject areas throughout the year. The committee reports to the Commission's Management Committee regularly.

CODE OF CONDUCT / ETHICS

- 5.30 The Commission has a code of conduct for all staff and an additional code for senior officers. All staff have signed undertakings to comply with all aspects of the code.
- 5.31 The full text of the general code of conduct is included in the Commission's annual report for 1997/98, a copy of which can be found on the Commission's web site.
- 5.32 Lectures on ethics are offered to staff from time to time.

OVERSEAS VISITS

- 5.33 There were two overseas trips taken by a member of staff of the Commission during the year.
- 5.34 The first was a trip to New Zealand taken between 12 and 13 September 2001 by a senior financial investigator to attend to operational duties. The total cost of the trip was \$1,060.
- 5.35 The second was a six-week trip to the United States taken by a senior financial investigator who visited the National Drug Intelligence Centre to learn about its role, methods of operation and systems. The total cost of this trip to the Commission was \$2,941, not including the cost of the officer's salary during the period of the visit.

OCCUPATIONAL HEALTH AND SAFETY

- 5.36 The Commission is concerned to ensure the safety and well-being of all staff.
- 5.37 During 2001/02, Commission staff elected a new representative pursuant to the *Occupational Health and Safety Act 2000*. The representative received full training and is actively involved in identifying issues for improvement in the workplace.
- 5.38 The Commission made five claims for workers' compensation during the year.
- 5.39 There were other matters, all relating to injuries sustained during the course of duty. They resulted in a loss of 37 work days and the costs of treatment.

THE ENVIRONMENT

- 5.40 The Commission continues to employ conservation methods such as water-conserving shower heads, infra-red flushing systems and dual flush cisterns. There are energy-saving devices on all new office machines and timers on air-conditioning units, basement car park lights, hot water urns and water coolers. Signs reminding staff to conserve electricity are posted on all light switches.
- 5.41 The Commission has an ongoing contract with Energy Australia in which it has elected to purchase 100% greenpower. The NSW Government requirement is that agencies purchase at least 6% greenpower.
- 5.42 Photocopy paper used at the Commission is made from recycled paper waste. The Commission uses rechargeable batteries and recycles used toner cartridges, paper, cardboard, glass and aluminium.

ELECTRONIC INFORMATION MANAGEMENT

- 5.43 The Commission's policy is to use commercial, off-the-shelf software and hardware for its information technology (IT) and telecommunications solutions. The Commission uses products mainly from major manufacturers, with minimal

modification. Integration of products is carried out in-house, with some computer programming being outsourced. In these instances, the Commission maintains ownership of the source code. Some joint development work has been carried out with other agencies and the Commission has exchanged source code with other agencies.

5.44 The Commission has a large capacity for the recording and processing of electronic intelligence, particularly in the area of telephone interception, which the Commission makes available to other agencies under the agency provisions of the Telecommunications (Interception) Act.

5.45 During the year, the Commission achieved the following goals:

- . expansion of the Storage Area Network
- . upgrade of IT switches
- . expansion of data interception capacity
- . expansion of communication links to carriers to include ATM delivery
- . upgrade of the IT backbone to 2 gigabytes and the telecommunications interception backbone to 1 gigabyte
- . work preparatory to joining the IT and telecommunications interception networks
- . provision of remote telephone interception capabilities to a number of other agencies.

RESEARCH AND DEVELOPMENT

5.46 The Commission did not conduct any research and development work (as defined by Australian Accounting Standard AAS513) during 2001/02.

CONSULTANTS

5.47 No consultants were retained during 2001/02.

SERVICES TO THE PUBLIC

5.48 By reason of its statutory aims, objectives, functions and operational activities, the Commission does not provide services direct to the public, although members of the public often contact the Commission directly to provide information. Investigations are sometimes launched on the basis of such information.

5.49 Consequently, the Commission does not usually receive complaints or consumer suggestions. It is not possible, therefore, for the Commission to report on services improved or changed as a result of such complaints or suggestions, as required by the annual reports legislation. For the same reasons, the Commission has not developed standard times for providing services, with the exception of payment of accounts.

5.50 The Commission has a formal system for registering and dealing with complaints.

FREEDOM OF INFORMATION

5.51 The Commission received one request under the *Freedom of Information Act 1989* (NSW) during 2001/02.

5.52 Requests under the Freedom of Information Act for access to documents in the possession of the Commission should be directed in writing to the Commissioner.

5.53 Inquiries concerning fees and procedures for inspecting or obtaining Commission documents, including 'Statements of affairs', should be made to the Assistant Director, Operations Support, between the hours of 9.00 am and 5.00 pm, Monday to Friday.

PUBLICATIONS

5.54 Two Commission publications are available to the public:

- . annual reports 1985/86 to 2001/02 inclusive
- . freedom of information 'Statements of affairs'.

PRIVACY

5.55 The Commission continues to comply with the 'Privacy management plan' previously implemented (see annual report for 1999/2000).

5.56 The Commission is unaware of any breaches or alleged breaches of that plan or the *Privacy and Personal Information Act 1998* (NSW).

5.57 Complaints and internal reviews under the Act:

Complaints made against the Commission 0

Internal reviews conducted by the Commission 0

Internal reviews conducted by the Privacy Commission 0

Internal reviews conducted by the Administrative Decisions Tribunal and its appeal panel 0

DISABILITY PLAN

5.58 The Commission's triennial 'Disability action plan' was submitted to the NSW Ageing and Disability Department in December 1999, following consultation with internal and external stakeholders.

5.59 Staff training in disability awareness, foreshadowed in the plan, has not yet been undertaken.

5.60 The plan is due for review at the end of 2002.

ETHNIC AFFAIRS PRIORITIES REPORT

5.61 The Commission remains committed to the principles contained in the NSW 'Ethnic Affairs priorities statement'.

5.62 The Commission does not discriminate against any group or individual on the basis of race, gender, culture, religion, language or ethnic origin.

FINANCIAL STATEMENTS

5.63 Audited financial statements can be found in Appendix A.

ACCOUNT PAYMENT PERFORMANCE

5.64

Qtr	Current	<30 days overdue	30-60 days overdue	60-90 days overdue	>90 days overdue
Sep 01	\$143,058	\$0	\$0	\$0	\$0
Dec 01	\$146,148	\$0	\$0	\$0	\$0
Mar 02	\$93,338	\$15,616	\$0	\$0	\$0
Jun 02	\$104,674	\$0	\$0	\$0	\$0

Qtr	Total accounts paid on time		Total paid	
	Target %	Actual %	\$	\$
Sep 01	85.0	93.78	2,031,980	2,166,751
Dec 01	85.0	91.09	3,485,299	3,826,215
Mar 02	85.0	87.00	2,451,146	2,817,409
Jun 02	85.0	86.30	3,999,279	4,634,159

STORES AND EQUIPMENT

5.65 The following table shows monthly expenditure on general stores, information technology equipment, furniture and office equipment.

Month	Expenditure \$
July	19,219
August	30,636
September	57,691
October	38,525
November	161,553
December	42,002
January	53,272
February	33,539
March	37,183
April	128,396
May	52,040
June	48,508
Total	\$702,564

VALUE OF STAFF LEAVE

5.66 The values of accrued annual leave, including applicable leave loadings, and extended leave at 30 June 2002 were \$433,601 and \$1,171,800 respectively.

Both of these amounts were calculated in accordance with AAS30 'Accounting for employee leave entitlements', using the nominal method for extended leave.

MAJOR ASSETS PURCHASED

- 5.67 The Commission acquired the following assets during 2001/02:

Asset	Value
Motor vehicles	114,059
Airconditioning upgrade	130,206
Generator	178,644
Photocopier	11,198
PCs/printers/servers	168,275
Cisco switches	439,355
Databases	45,000
Interception equipment	653,276
Firewalls	44,792
Storage Area Network	591,683
Tape back-up unit	339,333
Top Layer Appswitch	53,990
Other equipment	12,204
Total	\$2,782,015

REAL PROPERTY

- 5.68 In 1993/94, the Commission acquired its main capital asset, its premises at 453 Kent Street, Sydney, for \$5,700,000. During 1997/98, the Commission revalued this asset at \$7,125,000.

INSURANCE

- 5.69 The Commission insures against a range of risks, including workers' compensation, damaged caused by and to motor vehicles, property damage and public liability, through the New South Wales Treasury Managed Funds. In 2001/02, the Commission made three claims (compared to eight in 2000/01). Of these claims, two related to workers' compensation (seven in 2000/01) and one related to motor vehicles.

GRANTS TO COMMUNITY ORGANISATIONS

- 5.70 The Commission did not provide any grants to community organisations in 2001/02.

CONTRACTING AND MARKET TESTING

- 5.71 The Commission has formed the view that the functions it market-tested in previous years could be performed more efficiently and cost-effectively by Commission staff. A significant factor in these decisions was the need to preserve security.

RISK MANAGEMENT

- 5.72 The Commission takes the view that risk management should occur at all levels, though the primary responsibility for it rests with management. Communication of risk is fundamental to developing a consciousness among all staff. This is achieved through the Commission's 'Risk management statement', which is communicated to all staff and advertised in prominent places throughout the workplace. It identifies most of the obvious things, such as insurable risk and risk of loss or injury. It is in the nature of such statements that they are, or through reputation become, platitudinous. The Commission endeavours to be active in monitoring risk through regular weekly contact between all staff and the CEO, in formal and informal meetings.

- 5.73 The Commission differs from most other public sector agencies in that there are many in the community who hope that the Commission does not meet its goals and achieve its statutory objects. This represents a risk or threat to the Commission. The Commission is, therefore, careful not to publicise its areas of possible vulnerability. In the well-known areas of risk, the Commission's performance is at a high level, based on empirical data. Insurable risks are adequately covered and premiums are paid on a performance basis. Physical security, which is at a high level, has not been breached and there have been no known breaches of critical information security.

- 5.74 Financial performance is audited by the Audit Office. Audits of performance in other areas are conducted by the Commission's Internal Audit Committee.

COST OF ANNUAL REPORT

- 5.75 Two hundred copies of the Annual Report 2001/02 have been printed at a cost of \$2,300.00 (including GST), or \$11.50 per copy. This can be compared with a total cost of \$2,046.00 for 200 copies, or \$10.23 per copy, of the Annual Report 2000/01. The report will also be published on the Commission's web site.

**NEW SOUTH WALES
CRIME COMMISSION**

**FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2002**

New South Wales Crime Commission

**Financial Statements for the
year ended 30 June 2002**

STATEMENT BY COMMISSIONER

Pursuant to section 45F of the *Public Finance and Audit Act 1983*, I state that:

- (a) the accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Financial Reporting Code for Budget Dependent General Government Sector Agencies*, the Public Finance and Audit Regulation 2000, the *Treasurer's Directions* and applicable Australian Accounting Standards
- (b) the statements present a true and fair view of the financial position as at 30 June 2002 and transactions of the Commission for the year then ended
- (c) there are no circumstances that would render any particulars included in the Financial Statements misleading or inaccurate.

PA Bradley
Commissioner

N Gray
Accountant

Dated: October 2002

NEW SOUTH WALES CRIME COMMISSION**Statement of Financial Performance for the year ended 30 June 2002**

	Notes	Actual 2002 \$'000	Budget 2002 \$'000	Actual 2001 \$'000
Expenses				
Operating expenses				
Employee-related	2 (a)	7,479	7,028	6,803
Other operating expenses	2 (b)	3,556	2,277	2,665
Maintenance		96	100	92
Depreciation	2 (c)	1,755	1,646	1,542
Other expenses	2 (d)	101	18	-
Total expenses		12,987	11,069	11,102
Less:				
Retained revenue				
Investment income	3 (a)	51	50	60
Other revenue	3 (b)	1,645	530	809
Total retained revenue		1,696	580	869
Gain/(loss) on disposal of non-current assets	4	(5)	-	(19)
Net cost of services		11,296	10,489	10,252
Government contributions				
Recurrent appropriation	5	8,856	8,206	8,050
Capital appropriation	5	2,502	982	1,500
Acceptance by the Crown Entity of employee entitlements and other liabilities	6	716	635	727
Total government contributions		12,074	9,823	10,277
SURPLUS / (DEFICIT) FOR THE YEAR		778	(666)	25
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		-	-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNER	14	778	(666)	25

The accompanying notes form part of these statements.

NEW SOUTH WALES CRIME COMMISSION
Statement of Financial Position as at 30 June 2002

	Notes	Actual 2002 \$'000	Budget 2002 \$'000	Actual 2001 \$'000
ASSETS				
Current assets				
Cash	8	1,067	1,487	1,279
Receivables	9	1,239	266	476
Total current assets		2,306	1,753	1,755
Non-current assets				
Land and buildings	10	6,635	6,625	6,750
Plant and equipment	10	3,981	2,391	2,930
Total non-current assets		10,616	9,016	9,680
Total assets		12,922	10,769	11,435
LIABILITIES				
Current liabilities				
Payables	11	698	208	208
Employee entitlements	12	569	630	630
Other	13	280	-	-
Total liabilities		1,547	838	838
Net assets		11,375	9,931	10,597
EQUITY				
Reserves	14	2,183	2,183	2,183
Accumulated funds	14	9,192	7,748	8,414
TOTAL EQUITY		11,375	9,931	10,597

The accompanying notes form part of these statements.

NEW SOUTH WALES CRIME COMMISSION
Statement of Cash Flows for the year ended 30 June 2002

	Notes	Actual 2002 \$'000	Budget 2002 \$'000	Actual 2001 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee-related		(7,189)	(6,676)	(6,548)
Other		(4,146)	(2,385)	(3,198)
Total payments		<u>(11,335)</u>	<u>(9,061)</u>	<u>(9,746)</u>
Receipts				
Interest		57	50	58
Other		1,508	730	1,446
Total receipts		<u>1,565</u>	<u>780</u>	<u>1,504</u>
Cash flows from government				
Recurrent appropriation		8,856	8,206	8,050
Capital appropriation		2,782	982	1,500
Cash reimbursements from the Crown Entity		336	283	412
Cash transfers to Consolidated Fund				-
Net cash flows from government		<u>11,974</u>	<u>9,471</u>	<u>9,962</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	22	<u>2,204</u>	<u>1,190</u>	<u>1,720</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the sale of plant and equipment		85	-	28
Purchase of plant and equipment		(2,501)	(982)	(1,592)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(2,416)</u>	<u>(982)</u>	<u>(1,564)</u>
NET INCREASE/(DECREASE) IN CASH		(212)	208	156
Opening cash and cash equivalents		1,279	1,279	1,123
CLOSING CASH AND CASH EQUIVALENTS	8	<u>1,067</u>	<u>1,487</u>	<u>1,279</u>

The accompanying notes form part of these statements.

Appendix A: Financial Statements

NEW SOUTH WALES CRIME COMMISSION

Summary of compliance with financial directives for the year ended 30 June 2002

	2002				2001			
	Recurrent appropriation \$'000	Expenditure/ net claim on Consolidated Fund \$'000	Capital appropriation \$'000	Expenditure/ net claim on Consolidated Fund \$'000	Recurrent appropriation \$'000	Expenditure/ net claim on Consolidated Fund \$'000	Capital appropriation \$'000	Expenditure/ net claim on Consolidated Fund \$'000
Original budget appropriation/ expenditure								
▪ Appropriation Act	8,206	8,206	982	982	8,055	8,050	1,290	1,200
▪ Additional appropriations								
▪ s. 21A Public Finance & Audit Act – Special appropriation								
▪ s. 24 Public Finance & Audit Act – Commonwealth special purpose payments								
	8,206	8,206	982	982	8,055	8,050	1,290	1,200
Other appropriations/expenditure								
▪ Treasurer's advance	650	650	1,815	1,520			300	300
▪ s. 22 – Expenditure for certain works and services								
▪ Transfers from another agency (s. 26 of the Appropriation Act)								
	650	650	1,815	1,520	-	-	300	300
Total appropriations/expenditure/net claim on Consolidated Fund (includes transfer payments)	8,856	8,856	2,797	2,502	8,055	8,050	1,590	1,500
Amount drawn down against appropriation		8,856		2,782		8,050		1,500
Liability to Consolidated Fund		-		280		-		-

The 'Summary of compliance' is based on the assumption that consolidated funds are spent first (except where otherwise identified or prescribed).

The 'Liability to Consolidated Fund' represents the difference between the 'Amount drawn down against appropriation' and the 'Total expenditure/net claim on Consolidated Fund'.

NEW SOUTH WALES CRIME COMMISSION

**Notes accompanying, and forming part of, the Financial Statements
for the year ended 30 June 2002**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The New South Wales Crime Commission is a reporting entity comprising all the activities under the control of the Commission.

The reporting entity is consolidated as part of the NSW Total State Sector and as part of the NSW Public Accounts.

(b) Basis of accounting

The Commission's Financial Statements are a general purpose financial report that has been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB)
- Urgent Issues Group (UIG) Consensus Views
- the requirements of the Public Finance and Audit Act and Regulations
- the 'Financial Reporting Directions' published in the *Financial Reporting Code for Budget Dependent General Government Sector Agencies* or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncement of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS6 'Accounting Policies' is considered.

Except for land and buildings, which are recorded at valuation, the financial statements are prepared in accordance with the historical cost convention.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Administered activities

The Commission administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities, but does not have the discretion, for example, to deploy the resources for the achievement of the agency's own objectives.

Transactions and balance relating to the administered activities are not recognised as the agency's revenues, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered Revenues', 'Administered Expenses', 'Administered Assets' and 'Administered Liabilities'.

The accrual basis of accounting and all applicable accounting standards have been adopted for the reporting of the administered activities.

(d) Revenue recognition

Revenue is recognised when the Commission has control of the good or right to receive, it is probable that the economic benefits will flow to the Commission and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

(i) Parliamentary appropriations and contributions from other bodies

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenues when the Commission obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions are normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year end. In this case, the authority to spend the money lapses and, generally, the unspent amount must be repaid to the consolidated fund in the following financial year. As a result, unspent appropriations are now accounted for as liabilities rather than revenue.

The liability is disclosed in Note 13 as part of 'current liabilities – other'.

(ii) Professional costs recovered

Control of a right to recover the costs is achieved when the court makes the order.

(iii) Investment income

Interest revenue is recognised as it accrues.

(e) Employee entitlements

(i) Wages and salaries, annual leave, sick leave and on-costs

Liabilities for wages and salaries, annual leave and vesting sick leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the entitlements accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where employee entitlements to which they relate have been recognised.

(ii) Long service leave and superannuation

The Commission's liabilities for long service leave and superannuation are assumed by the Crown Entity. The Commission accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee entitlements and other liabilities'.

Long service leave is measured on a nominal basis. The nominal method is based on the remuneration rates at year end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

The superannuation expense for the financial year is determined using the formulae specified in the *Treasurer's Directions*. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(f) Insurance

The Commission's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for government agencies. The expense (premium) is determined by the fund manager, based on past experience.

(g) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- The amount of GST incurred by the Commission as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Receivables and payables are stated with the amount of GST included.

(h) Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Commission. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

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

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

(i) Plant and equipment

Plant and equipment costing \$5,000 and above individually are capitalised.

(j) Revaluation of physical non-current assets

Buildings and improvements (excluding land) are valued at market value using the capitalisation of the expected net rental returns that the property would achieve. Land is valued on an existing use basis.

Due to the size and nature of the Commission's assets, revaluation is conducted every 5 years. The last such revaluation was completed on 30 June 1998.

In accordance with Treasury Policy, the Commission has applied the AAS38 'Revaluation of Non-Current Assets' transitional provisions for the public sector and has elected to apply the same revaluation basis as the preceding reporting period, while the relationship between fair value and the existing valuation basis in the NSW public sector is further examined. It is expected, however, that in most instances the current valuation methodology will approximate fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation is separately restated.

Conversely, where assets are revalued to market value, and not by reference to current prices for assets newer than those being revalued, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are increased or decreased by the revaluation increments or decrements.

The recoverable amount test has not been applied, as the Commission is a not-for-profit entity the service potential of which is not related to the ability to generate net cash inflows.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of asset, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

(k) Depreciation of non-current physical assets

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity. Land is not a depreciable asset.

All material separately identifiable component assets are recognised and depreciated over their shorter useful lives, including those components that in effect represent major periodic maintenance.

The rates of depreciation applied to relevant categories of assets are set out in the following table and are consistent with those used in 2000/01.

Depreciation asset category	Rate (%)
Computer equipment and software	33.30
Office equipment: mechanical/electronic	10.00
Office equipment: furniture/fittings	7.50
Motor vehicles	15.00
Building	3.33

(l) Maintenance and repairs

The costs of maintenance are charged as expenses incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

(m) Leased assets

Operating lease payments are charged to the 'Statement of financial performance' in the periods in which they are incurred.

(n) Receivables

Receivables are recognised and carried at the original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(o) Payables

These amounts represent liabilities for goods and services provided to the Commission.

(p) Budgeted amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s 21A, s 24 and/or s 26 of the Public Finance and Audit Act 1983.

The budgeted amounts in the 'Statement of Financial Performance' and the 'Statement of Cash Flows' are generally based on the amounts disclosed in the *NSW Budget Papers* (as adjusted above); however, in the 'Statement of Financial Position', the amounts vary from the *Budget Papers*, as the opening balances of the budgeted amounts are based on carried forward actual amounts, i.e. per the audited financial statements (rather than carried forward estimates).

NOTE 2 EXPENSES

(a) Employee-related expenses

	2002 \$'000	2001 \$'000
Salaries and wages (including recreation leave)	6,257	5,647
Superannuation	476	462
Long service leave	210	236
Workers' compensation insurance	34	32
Payroll tax and fringe benefits tax	399	405
Other	103	21
Total	7,479	6,803

(b) Other operating expenses

	2002 \$'000	2001 \$'000
Auditor's remuneration		
- audit or review of the financial reports	15	18
Bad and doubtful debts	16	6
Insurance	42	39
Office utilities	135	160
Office supplies	1,371	1,105
Computer services	785	543
Travel expenses	31	44
Motor vehicle expenses	10	16
Service fees	895	572
Other	256	162
Total	3,556	2,665

(c) Depreciation

	2002 \$'000	2001 \$'000
Building	115	125
Plant and equipment	92	81
Computer equipment	1,538	1,327
Motor vehicles	10	9
Total	1,755	1,542

(d) Other expenses

	2002 \$'000	2001 \$'000
Witness protection	101	-
Total	101	-

NOTE 3 REVENUES

(a) Investment income

	2002 \$'000	2001 \$'000
Interest	51	60
Total	51	60

(b) Other revenue

	2002 \$'000	2001 \$'000
Professional costs recovered	1,638	798
Miscellaneous	7	11
Total	1,645	809

NOTE 4 GAIN / (LOSS) ON SALE OF NON-CURRENT ASSETS

	2002 \$'000	2001 \$'000
Proceeds from disposal	85	28
Written down value of assets sold	(90)	(47)
Net gain/(loss) on disposal of non-current assets	(5)	(19)

NOTE 5 APPROPRIATIONS

	2002 \$'000	2001 \$'000
Recurrent appropriations		
Total recurrent drawdowns from Treasury (per 'Summary of compliance')	8,856	8,050
Less: liability to Consolidated Fund (per 'Summary of compliance')	-	-
Total	8,856	8,050
Comprising:		
Recurrent appropriations (as per 'Statement of financial performance')	8,856	8,050
Transfer payments	-	-
Total	8,856	8,050

Capital appropriations

Total capital drawdowns from Treasury (per 'Summary of compliance')	2,782	1,500
Less: liability to Consolidated Fund (per 'Summary of compliance')	(280)	-
Total	2,502	1,500
Comprising:		
Capital appropriations (as per 'Operating statement')	2,502	1,500
Transfer payments	-	-
Total	2,502	1,500

NOTE 6 ACCEPTANCE BY THE CROWN TRANSACTIONS ENTITY OF EMPLOYEE ENTITLEMENTS AND OTHER LIABILITIES

The following liabilities and/or expenses have been assumed by the Crown Entity or other government agencies:

	2002 \$'000	2001 \$'000
Superannuation	476	462
Long service leave	210	236
Payroll tax	30	29
Total	716	727

NOTE 7 PROGRAMS / ACTIVITIES OF THE COMMISSION

The program number of the NSW Crime Commission is 61.1.1. The Commission comprises only one program.

Objective	To combat illegal drug trafficking and organised crime in New South Wales.
Description	The targeting of high level drug traffickers and persons involved in organised crime, the obtaining of evidence for prosecution of those persons and/or the civil forfeiture of their assets, the furnishing of reports relating to illegal drug trafficking and organised crime and the dissemination of intelligence, and investigatory, technological and analytical expertise.

All the details of the one program are shown in the 'Statement of Financial Performance', 'Statement of Financial Position' and the 'Statement of Cash Flows'.

NOTE 8 CASH AND CASH EQUIVALENTS

For the purpose of the 'Statement of Cash Flows', 'cash' comprises cash on hand and bank balances within the Treasury banking system. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (Tcorp) 11am unofficial cash rate, adjusted for a management fee to Treasury. The weighted average interest rate received by the Commission on its daily bank balances for 2001/02 was 3.53%.

Cash at the end of the reporting period, as shown in the 'Statement of Cash Flows', is reconciled to the related items in the 'Statement of Financial Position' as follows:

	2002 \$'000	2001 \$'000
Cash on hand	21	21
Cash at the bank	1,046	1,258
Closing cash and cash equivalents (per 'Statement of Cash Flows')	1,067	1,279

NOTE 9 CURRENT ASSETS – RECEIVABLES

	2002 \$'000	2001 \$'000
Interest receivable	24	30
Operational expenses to be recouped	71	149
Professional costs recovered	889	248
Prepayments	94	53
Other debtors	201	36
Less: provision for doubtful debts	(40)	(40)
Total	1,239	476

NOTE 10 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	2002 \$'000	2001 \$'000
Land and buildings		
At valuation	7,125	7,125
	7,125	7,125
Accumulated depreciation at valuation	(490)	(375)
Total land & building at net book value	6,635	6,750

Plant and equipment

At cost	1,285	957
	<u>1,285</u>	<u>957</u>
Accumulated depreciation at cost	(474)	(381)
Total plant & equipment at net book value	811	576

Computer equipment

At cost	8,019	5,774
	<u>8,019</u>	<u>5,774</u>
Accumulated depreciation at cost	(4,905)	(3,462)
Total computer equipment at net book value	3,114	2,312

Motor vehicles

At cost	71	58
At valuation	-	-
	<u>71</u>	<u>58</u>
Accumulated depreciation at cost	(15)	(16)
Total motor vehicles at net book value	56	42
Total property, plant and equipment at net book value	10,616	9,680

Reconciliations

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

	Computer equipment \$'000	General equipment \$'000	Motor vehicles \$'000	Building \$'000	Land \$'000	Total \$'000
2002						
Carrying amount at start of year	2,312	576	42	3,375	3,375	9,680
Additions	2,347	327	114	-	-	2,788
Disposals	(7)	-	(90)	-	-	(97)
Depreciation expense	(1,538)	(92)	(10)	(115)	-	(1,755)
Carrying amount at end of year	3,114	811	56	3,260	3,375	10,616
2001						
Carrying amount at start of year	2,212	534	56	3,500	3,375	9,677
Additions	1,447	123	22	-	-	1,592
Disposals	(20)	-	(27)	-	-	(47)
Depreciation expense	(1,327)	(81)	(9)	(125)	-	(1,542)
Carrying amount at end of year	2,312	576	42	3,375	3,375	9,680

The Commission continues to derive service potential and economic benefit from \$3,010,562 worth of assets that have been fully depreciated:

Asset category	Quantum	Value
Plant & equipment	2	13,300
Computer equipment	538	2,997,262
Total	540	3,010,562

NOTE 11 CURRENT LIABILITIES - ACCOUNTS PAYABLE

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No such payments were made during 2001/02.

	2002 \$'000	2001 \$'000
Creditors	113	47
Accrued other operating expenses	305	161
Accrued capital expenditure	280	-
Total	698	208

NOTE 12 CURRENT LIABILITIES - EMPLOYEE ENTITLEMENTS

	2002 \$'000	2001 \$'000
Recreation leave	434	506
Accrued salaries and wages	135	124
Total	569	630

NOTE 13 CURRENT LIABILITIES - OTHER

	2002 \$'000	2001 \$'000
Liability to Consolidated Fund	280	-
Total	280	-

NOTE 14 CHANGES IN EQUITY

	Accumulated funds		Asset revaluation		Total equity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Balance at the beginning of the financial year	8,414	8,389	2,183	2,183	10,597	10,572
Surplus/(deficit) for the year	778	25	-	-	778	25
Balance at the end of the financial year	9,192	8,414	2,183	2,183	11,375	10,597

NOTE 15 MONIES HELD IN EXCESS OF TWO YEARS

No unclaimed amounts have been held in the accounts of the NSW Crime Commission for a period in excess of two years. All amounts unclaimed are forwarded to the NSW Treasury. Any such unclaimed amounts are available for refund for a period of twenty years.

NOTE 16 COMMITMENTS FOR EXPENDITURE

(a) Capital commitments

	2002 \$'000	2001 \$'000
Aggregate capital expenditure contracted for at balance date and not provided for:		
Not later than one year	39	-
Total (including GST)	39	-

(b) Other expenditure commitments

	2002 \$'000	2001 \$'000
Aggregate other expenditure contracted for at balance date and not provided for:		
Not later than one year	68	23
Later than one year and not later than five years	-	-
Total (including GST)	68	23

(c) Operating lease commitments

	2002 \$'000	2001 \$'000
Future non-cancellable operating lease rentals not provided for and payable::		
Not later than one year	-	2
Later than one year and not later than five years	-	-
Total (including GST)	-	2

These operating lease commitments are not recognised in the financial statements as liabilities.

NOTE 17 CONTINGENT LIABILITIES

A claim totalling \$192,812 (2000/01 \$192,812) has been forwarded to the Commission by the former Property Services Group in respect of a make-good payment on Crown lease, Level 3, Stage 2, 175 Liverpool Street, Sydney (the site of the Commission's previous premises). The Commission disputes this claim.

NOTE 18 CONTINGENT ASSET

The total capital, other operating and operating lease commitments in Note 16 includes input tax credits of \$9,600 that are expected to be recovered from the Australian Taxation Office (2000/01 \$2,277).

NOTE 19 BAD DEBTS WRITTEN OFF

An amount totalling \$16,131 was written off in 2001/02 as bad debts. These amounts were predominantly in the area of professional costs where generally the assets of the person involved were insufficient to meet all of the costs due. (2000/01 \$5,917)

NOTE 20 MATERIAL ASSISTANCE PROVIDED BY OTHER PARTIES

No material assistance was received by the NSW Crime Commission free of charge during 2001/02 from any other organisation.

NOTE 21 BUDGET REVIEW

(a) Net cost of services

The actual net cost of services was higher than budget by \$807,000, this was primarily due to additional employee and other operating expenses as a result of increased workload of \$1,918,000. This was offset by an increase in professional costs recovered via the Commission's confiscation powers of \$1,115,000.

(b) Assets and liabilities

The actual current assets were higher than budget by \$553,000, this was primarily due to increases in professional costs receivable of \$641,000, prepayments of \$41,000 and GST receivable from the ATO of \$165,000. The Commission also utilised \$420,000 of its cash reserves to meet the costs of increased workload.

The actual non-current assets were higher than budget by \$1,600,000, this was primarily due to supplementation to the Commission's Consolidated Fund capital allocation during the year to meet the costs of enhancing the telephone interception system.

The actual current liabilities were higher than budget by \$709,000, this was primarily due to a liability to the Consolidated Fund of \$280,000, accrued capital expenditure of \$280,000 and delays by telecommunication carriers in billing the Commission for telephone interception expenses.

(c) Cash flows

The actual net cash flow from operating activities was higher than budget by \$1,014,000, this was primarily due to increased receipts from professional costs of \$778,000 and increased cash flows from government of \$2,503,000, which were offset by increased payments relating to increased workload of \$2,274,000.

The actual net cash flow from investing activities was lower than budget by \$1,434,000, this was primarily due to an increase in the purchase of plant and equipment resulting from supplementation to the Commission's Consolidated Fund capital allocation of \$1,520,000.

NOTE 22 RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	2002 \$'000	2001 \$'000
Net cash from operating activities	2,204	1,720
Cash flows from government/appropriations	(11,638)	(9,550)
Acceptance by the Crown of employee entitlements	(716)	(727)
Depreciation	(1,755)	(1,542)
Decrease/(increase) in provisions	72	40
Increase/(decrease) in prepayments and other assets	762	(206)
Decrease/(increase) in creditors	(220)	32
Net gain/(loss) on sale of plant and equipment	(5)	(19)
Net cost of services	(11,296)	(10,252)

NOTE 23 ADMINISTERED ASSETS AND LIABILITIES

	2002 \$'000	2001 \$'000
Administered assets		
Cash at bank	199	-
Total administered assets	199	-
Administered liabilities		
Liability to the Public Trustee	199	-
Total administered liabilities	199	-

NOTE 24 OLYMPIC GAMES-RELATED EXPENDITURE

	2002 EFT	2002 \$'000	2001 EFT	2001 \$'000
Staff employed at the Commission on initiatives directly and specifically related to the Games	-	-	-	-
Staff seconded to other agencies on initiatives directly and specifically related to the Games	-	-	7	50
Total	-	-	7	50

END OF AUDITED STATEMENTS

**NEW SOUTH WALES CRIME COMMISSION
OUTLINE OF 2002/2003 BUDGET**

The proposed operating budget for the NSW Crime Commission for the 2002/2003 financial year is as follows:

	Budget 2002/03 \$'000	Total \$'000
<u>Expenses</u>		
Operating expenses –		
Employee-related	7,308	
Other operating expenses	2,919	
Maintenance	102	
Depreciation and amortisation	1,576	
Other expenses	18	11,923
<u>Revenue</u>		
Sales of goods and services	5	
Investment income	51	
Other revenue	572	(626)
Gain/(loss) on disposal of non-current assets		-
<u>Net cost of services</u>		11,297

The proposed capital budget for the Commission for the 2002/2003 financial year is as follows:

Acquisition of property, plant and equipment:	\$1,175,000
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**Performance statement for the year ended
30 June 2002**

Mr Phillip A Bradley
Commissioner
Appointed on 17 July 1989

The Annual Reports (Departments) Act 1985 requires that officers at or above the level of SES 5 be the subject of a performance statement.

The Commissioner of the NSW Crime Commission is not part of the CES and has accountability and responsibilities that differ from most other chief executive officers.

**Performance statement for the year ended
30 June 2002**

Mr John M Giorgiutti
Solicitor to the Commission/Director,
Operations
Appointed on 2 July 1990

Mr Giorgiutti generally has oversight of all Commission business and reports to the Commissioner.

Key achievements in 2001/02 were as follows:

- . maintenance of reduced Supreme Court list and high throughput of matters
- . provision of high level advice on corporate and strategic planning and on legal matters
- . personal conduct of major confiscation and criminal investigation matters
- . appearance before the Commission and the Supreme Court
- . acting as Commissioner during absence of Commissioner
- . introduction of cutting edge technology in the field of electronic surveillance.

**Performance statement for the year ended
30 June 2002**

Mr Michael Lulan
Assistant Director, Financial Investigations
Appointed on 16 June 1986

Mr Lulan is the Assistant Director, Financial Investigations, and is in charge of the Financial Investigation Team in the management of the Commission's confiscation functions, with the Commission obtaining positive results. Key achievements in 2001/02 were as follows:

- . negotiation of settlement of major litigation in which the Commission was involved as plaintiff
- . implementation of new efficiencies in structural approach to litigation
- . provision of advice as a member of the Management Team on investigation strategies
- . leadership of multifunction team in relation to the gathering of evidence, the identification of the proceeds of crime and conduct of litigation
- . oversight of development of Investigation/Litigation Manual and key documentation
- . development of relationship with main clients
- . sponsorship of anti-money laundering initiative with external agencies
- . representation at national and international forums on money laundering and confiscation.

**Performance statement for the year ended
30 June 2002**

Mr Mark Standen
Assistant Director, Investigations
Appointed on 4 March 1996

Mr Standen is the Assistant Director, Investigations, in charge of the overall direction of criminal investigations in respect of several Commission References. Key achievements in 2001/02 were as follows:

- . provision of advice on investigation strategies as a member of the Management Team
- . oversight of multifunction team in relation to the gathering of evidence and the identification of the proceeds of crime
- . review of police investigations and development of strategies for corruption investigations
- . development of interface with confiscation functions within the Commission and with several external agencies, especially the Special Crime and Internal Affairs Branch of the NSW Police and the Australian Federal Police
- . conduct of key hearings, appearing on behalf of the Commission
- . negotiation of memoranda of understanding with key agencies.

**Performance statement for the year ended
30 June 2002**

Mr Tim O'Connor
Assistant Director, Investigations
Appointed firstly on 1 October 1997 and
recommenced in that role on 21 June 1999.

Mr O'Connor is the Assistant Director, Investigations, in charge of the overall direction of criminal investigations in respect of several Commission References. Key achievements in 2001/02 were as follows

- . provision of advice on investigation strategies as a member of the Management Team
- . oversight of multifunction team in relation to the gathering of evidence and the identification of the proceeds of crime
- . development of interface with confiscation functions within the Commission and with several external agencies
- . conduct of key hearings, appearing on behalf of the Commission
- . negotiation settlement of major litigation in which the Commission was involved as plaintiff
- . production of intelligence handling strategy for analysts
- . oversight of increased productivity in criminal investigations.

**Performance statement for the year ended
30 June 2002**

Ms Alison Brook
Assistant Director, Operations Support
Appointed on 26 October 1993

Ms Brook has oversight of the Commission's generic corporate services generally as well as managing the human resources function. She also manages support functions that are specific to a law enforcement environment. These include oversight of the informant management system, management of firearms and the development of other covert investigative tools.

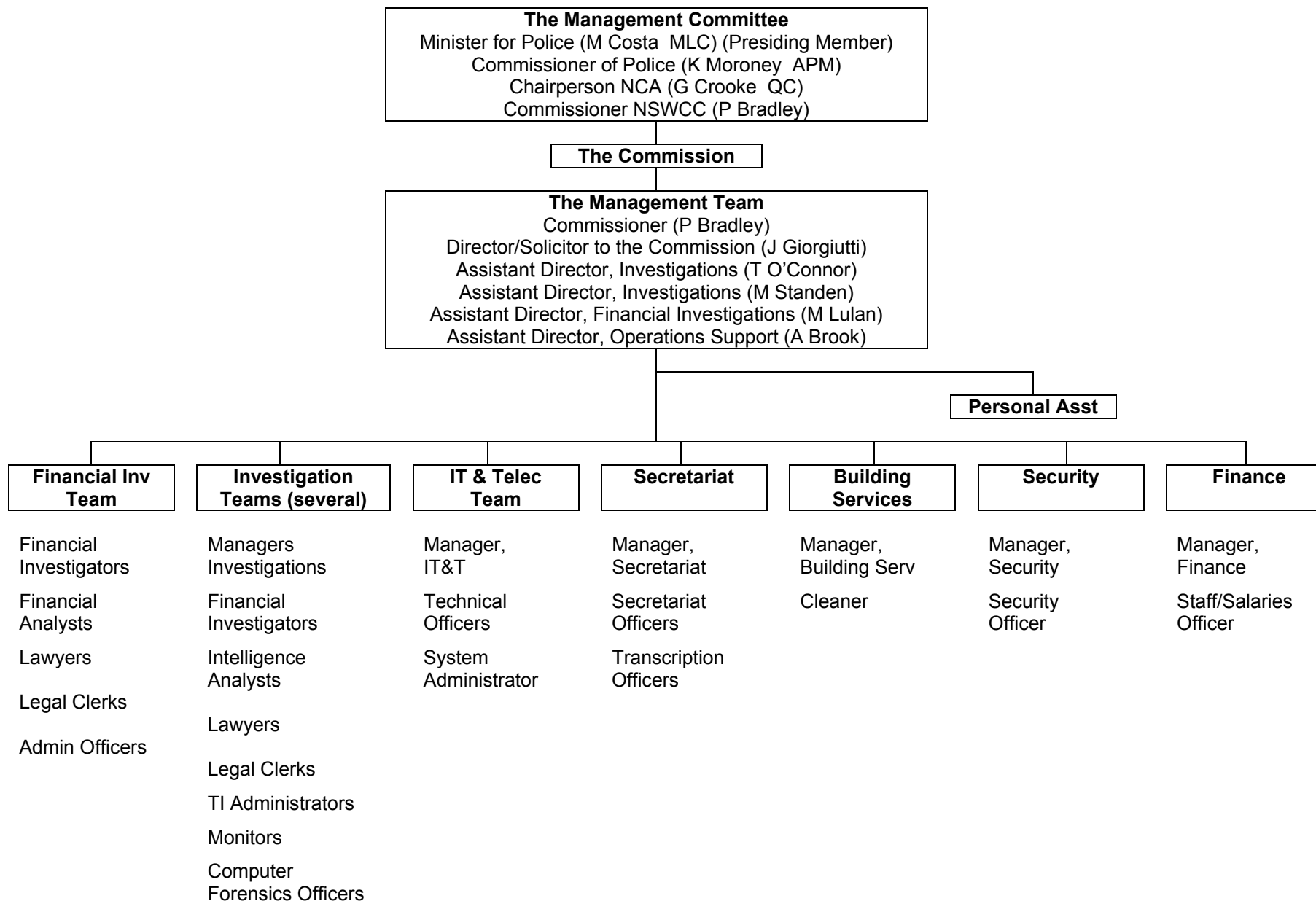
Operationally, Ms Brook has continued to develop an intelligence gathering project during the year, and she has had oversight of the Commission's contribution to investigations conducted under the *Ebenezer* Reference.

Ms Brook also participates on the management committee of the Special Purpose Centre at Long Bay Jail.

Other significant achievements in 2001/02 included:

- . provision of advice on corporate and strategic planning
- . provision of advice on support service issues as a member of the Management Team
- . provision of support to the Commission's Management Committee
- . production of the Annual Report to Parliament
- . development of key protocols on informant management and email systems
- . oversight of the implementation of the new records management system
- . initiation of a number of major investigations arising out of informant management.

Organisation Chart as at 30 June 2002



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