



New South Wales  
Crime Commission

# Annual Report 2013-2014



## **New South Wales Crime Commission**

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23 October 2014

The Hon. Stuart Ayres MP  
Minister for Police and Emergency Services

Dear Minister,

**Annual Report for 2013–2014**

Pursuant to ss. 11A and 12 of the *Annual Reports (Departments) Act 1985* ('the Act'), I submit to you this Commission's Annual Report for 2013–2014 (in accordance with s. 9 of the Act) and Report of Operations (in accordance with ss. 10 and 11 of the Act). In accordance with s. 6 of the Act, the two reports are included within the one document ('the Report'). The Report is being submitted to you for presentation to Parliament.

In accordance with s. 82 of the *Crime Commission Act 2012*, the Report has also been furnished to the New South Wales Crime Commission Management Committee. Section 82 of the *Crime Commission Act 2012* provides for that Committee to transmit the Report to you with such comments on the Report as it sees fit.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Hastings'.

Peter Hastings  
Commissioner

Copy: The Hon. Andrew Constance, MP  
Treasurer





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Crime Commission

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14 October 2014

The New South Wales Crime Commission Management Committee

Dear Committee Members,

**Annual Report for 2013–2014**

On behalf of the Commission, and in accordance with s. 82 of the *Crime Commission Act 2012*, I furnish you the Commission's Annual Report for the year ending 30 June 2014.

Section 82 provides for you to transmit the Report to the Minister with such comments on the Report as you see fit.

The Report also serves to satisfy the requirements of the *Annual Reports (Departments) Act 1985*.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Hastings'.

Peter Hastings  
Commissioner



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## Glossary and Abbreviations

Term	Definition
ACBPS	Australia Customs and Border Protection Service
ACC	Australian Crime Commission
ACC Act	<i>Australian Crime Commission Act 2002 (Cth)</i>
AFO	Asset forfeiture order
AFP	Australian Federal Police
AML/CTF	Anti-money laundering/counter-terrorism financing
Annual Reports Act	<i>Annual Reports (Departments) Act 1985</i>
Annual Reports Regulation	<i>Annual Reports (Departments) Regulation 2010</i>
ASIO	Australian Security Intelligence Organisation
ATO	Australian Taxation Office
ATS	Amphetamine-type stimulants
AUSTRAC	Australian Transaction Reports and Analysis Centre
CAR Act	<i>Criminal Assets Recovery Act 1990</i>
CDPP	Commonwealth Director of Public Prosecutions
CID	Criminal Investigation Division
CLR	<i>Commonwealth Law Reports</i>
Commission Act	<i>Crime Commission Act 2012</i>
Court of Appeal	NSW Court of Appeal
CPA	Confiscated Proceeds Account
CSD	Corporate Services Division
Cth	Commonwealth
DPP	Director of Public Prosecutions (NSW)
EDRMS	Electronic document records management system
FID	Financial Investigation Division
FTE	Full-time equivalent
GIPA Act	<i>Government Information (Public Access) Act 2009</i>
GPNSW	Government Property NSW
GSE Act	<i>Government Sector Employment Act 2013</i>
Homicide Squad	NSW Police Force Homicide Squad
IARC	Internal Audit and Risk Committee
IARM Policy	Internal Audit and Risk Management Policy for the NSW Public Sector
ICAC	Independent Commission Against Corruption
ICT	Information and communication technology
ITPP	Independent third-party provider
JACG	Joint Asian Crime Group
JCTT	NSW Joint Counter Terrorism Team

<b>Term</b>	<b>Definition</b>
JOCG	Joint Organised Crime Group
LAC	NSW Police Force Local Area Command
LECO Act	<i>Law Enforcement (Controlled Operations) Act 1997</i>
MDMA	3,4-methylenedioxy-N-methylamphetamine (ecstasy)
MPES	Ministry for Police and Emergency Services
NSW Police	NSW Police Force
OC(T)S	NSW Police Force Organised Crime (Targeting) Squad
OCS	NSW Police Force Organised Crime Squad
p.	page
PAO	Proceeds assessment order
par.	paragraph
PIC	Police Integrity Commission
PIC Act	<i>Police Integrity Commission Act 1996</i>
PID Act	<i>Public Interest Disclosures Act 1994</i>
PJC	Parliamentary Joint Committee on the Office of the Ombudsman, the Police Integrity Commission and the Crime Commission
PSE&M Act	<i>Public Sector Employment and Management Act 2002</i>
reporting period	1 July 2013 to 30 June 2014
s.	section (of an Act of Parliament)
Sch.	Schedule
SCRA	Serious crime related activity
SD Act	<i>Surveillance Devices Act 2007</i>
ss.	sections (of an Act of Parliament)
subs.	subsection (of an Act of Parliament)
subss.	subsections (of an Act of Parliament)
The Commission	NSW Crime Commission
The Court	The Supreme Court of NSW
TIA Act	<i>Telecommunications (Interception and Access) Act 1979 (Cth)</i>
TIA (NSW) Act	<i>Telecommunications (Interception and Access) (New South Wales) Act 1987</i>
UWO	Unexplained wealth order
WH&S	Work health and safety

## YEAR IN REVIEW

While the previous reporting period was one of change for the Commission, the 2013–2014 reporting period was one of consolidation and enhancement.

The Commission continued to expand the number of criminal investigations in which it is involved. The Commission's Management Committee referred a further 18 matters to the Commission during the reporting period, including ten homicide cases. At the end of the reporting period, the Commission had 58 active references.

Although the number of active references provides some indication of the amount of work undertaken by the Commission's Criminal Investigation Division ('CID'), it does not provide the full picture. A number of investigations may fall under a single reference or occur as part of a task force arrangement, such as those undertaken with the NSW Police Force Organised Crime Squad ('OCS').

During the reporting period, the NSW Police Force ('NSW Police') acknowledged the valuable contribution to the fight against serious and organised crime made by the NSW Police Organised Crime (Targeting) Squad ('OC(T)S') and made the decision to expand the squad. In March 2014, the NSW Police replaced the OC(T)S with the OCS, almost doubling the size of the squad. The majority of OCS staff are based at the Commission, but the OCS also includes NSW Police working with the Joint Organised Crime Group ('JOCG').

Since the establishment of the OCS, the Commission has devoted a large part of its analytical resources to investigations with the OCS over investigations with other squads, regional enforcement squads, local area commands ('LACs'), or other investigative groups.

The intent of this approach is to reinforce the Commission's strategic and collaborative approach to the identification of serious organised crime figures and any subsequent investigation of their criminal activities. A number of the investigations being undertaken jointly by the OCS and the Commission are linked to the work the Commission has conducted as part of its organised crime disruption strategy.

Although the Commission has allocated a significant proportion of its investigative resources to working with the OCS, the Commission continues to be committed to working closely with the NSW Police Homicide Squad ('Homicide Squad') and other NSW Police Squads involved in murder investigations. Murder investigations are not referred to the Commission unless it appears that the Commission's statutory powers and/or extensive experience in working on organised crime related homicides are required to achieve an arrest (or arrests) in the matter.

The Commission is working on over 20 homicide matters with the NSW Police, including several matters which are before the courts. The efficacy of the Commission's work in homicide investigations can be seen in the arrest statistics for the reporting period. These included eight murder charges, four counts of attempted murder, and four counts of accessory after the fact to murder. In addition, a further 67 non-homicide related charges were laid as a result of these investigations.

The Commission continued to work in close collaboration with partner agencies other than the NSW Police. This included working with the Australian Crime Commission ('ACC'), the Australian Customs and Border Protection Service ('ACBPS'), the Australian Federal Police ('AFP'), the Australian Transaction Reports and Analysis Centre ('AUSTRAC'), and the

Australian Taxation Office ('ATO'). The increasing level of co-operation between State and Commonwealth law enforcement agencies to which the Commission alluded last year has continued.

The Commission's confiscation functions continue to be an important weapon in the fight against organised crime. As set out in this report, the Commission's Financial Investigation Division ('FID') performed particularly well during the reporting period.

The hard work of the FID resulted in the confiscation of over \$28 million from persons suspected to be involved in various criminal offences. This is the third highest amount in the history of the Commission and is well in excess of the Commission's five year average.

What makes the success of the FID during the period more remarkable was that it was not inflated by one or more very large confiscations. The \$28 million comes from the resolution of 97 confiscation proceedings during the period. At the same time as the FID concluded these proceedings, they commenced a further 77 matters.

It should also be noted that the amount confiscated as a result of the work of the FID was significantly more than the budget for the Commission during the reporting period.

In addition to the operational work conducted by the CID and the FID, the Commission completed the restructure it began in the 2011/2012 financial year. During the reporting period, the Commission consolidated its corporate services into a single Corporate Services Division ('CSD') to provide support to the FID and CID. The Commission completed this process in February 2014 with the appointment of the Director (Corporate Services).

The immediate aim of the establishment of the CSD is to elevate the level of corporate services within the Commission to the same level of professionalism as consistently demonstrated by the FID and CID.

During the reporting period, the Commission continued to strengthen its governance arrangements in order to enhance the efficiency and integrity of the Commission's activities. The external oversight of the Commission by the NSW Crime Commission's Management Committee ('the Management Committee'), the Inspector of the Commission, the Police Integrity Commission ('PIC'), and the Parliamentary Joint Committee on the Ombudsman, the PIC, and the Commission ('the PJC') assists the Commission in continuing to ensure that it conducts its operational activities and internal management with the highest degree of propriety.

## **BACKGROUND TO THE COMMISSION**

The Commission is constituted as a corporation under the *Crime Commission Act 2012* ('the Commission Act'). Mr Peter Hastings QC is the Commissioner and Mr Peter Singleton and Mr Robert Inkster are the Assistant Commissioners.

The Commission has functions under the Commission Act and the *Criminal Assets Recovery Act 1996* ('the CAR Act'). During the period, Mr Hastings, Mr Singleton, and Mr Inkster, and delegated staff members, exercised the functions of the Commission under the Commission Act and the CAR Act.

### **Functions, aims and objectives of the Commission**

The object of the Commission Act is to reduce the incidence of organised and other serious crime. The CAR Act has multiple objects; however, the overarching object is to attempt to ensure that persons involved in criminal activity do not retain the proceeds or benefits of their crimes.

The principal functions of the Commission are:

- to investigate matters relating to a relevant criminal activity, serious crime concerns, and the criminal activities of criminal groups referred to the Commission by the Management Committee for investigation;
- to assemble evidence that would be admissible in the prosecution of a person for a relevant offence arising out of any such matters and to furnish it to the Director of Public Prosecutions ('the DPP');
- to furnish evidence obtained in the course of its investigations (being evidence that would be admissible in the prosecution of a person for an indictable offence against the law of the Commonwealth or another State or Territory) to the Attorney General or to the appropriate authority in the jurisdiction concerned;
- to reinvestigate matters relating to any criminal activity that were the subject of a police inquiry (being an inquiry referred for review to the Commission by the Management Committee) and to furnish its findings to the Management Committee together with any recommendation as to action the Commission considers should be taken in relation to those findings;
- to furnish, in accordance with the Commission Act, reports relating to organised and other crime, which include, where appropriate, recommendations for legislative or regulatory change;
- to provide investigatory, technological and analytical services to such persons or bodies as the Commission thinks fit; and
- with the approval of the Management Committee, to work in co-operation with such persons or authorities of the Commonwealth, the State or another State or Territory (including any task force and any member of a task force) as the Commission considers appropriate.

The Commission may:

- furnish any information the Commission obtains relating to the exercise of the functions of a government agency, or a report on that information, to the relevant Minister and make such recommendations relating to the exercise of the functions of the government agency, as the Commission considers appropriate;
- furnish any information relating to the conduct of a member of a government agency, in his or her capacity as such, that the Commission obtains, or a report on that information, to the head of that agency or (if the member is the head of the agency) to the relevant Minister and make such recommendations relating to the conduct of the member as the Commission considers appropriate;
- in accordance with any guidelines furnished by the Management Committee, disseminate intelligence and information to such persons or bodies of the Commonwealth, the State or another State or Territory (including any task force and any member of a task force) as the Commission thinks appropriate; and
- co-operate and consult with such persons or bodies as the Management Committee thinks appropriate.

The principal objects of the CAR Act are:

- to provide for the confiscation, without conviction, of property of a person if the Supreme Court finds it to be more probable than not that the person has engaged in a serious crime related activity ('SCRA');
- to enable the current and past wealth of a person to be recovered as a debt due to the Crown if the Supreme Court finds there is a reasonable suspicion that the person has engaged in a SCRA, or acquired the proceeds of a SCRA of another, unless they can show the wealth was acquired lawfully;
- to enable the proceeds of illegal activities to be recovered as a debt to the Crown if the Supreme Court finds it more reasonable than not that the person engaged in a SCRA, or acquired the proceeds of the SCRA or illegal activities of another, in the past six years;
- to provide for the confiscation, without conviction, of property of a person that is illegally acquired property held in a false name or is not declared in confiscation proceedings; and
- to enable law enforcement authorities to identify and recover property effectively.

Under the CAR Act, the Commission takes action against alleged criminals, and persons who have benefitted from criminal actions, through the civil courts. Detailed information about the operation of the CAR Act and how confiscation proceedings work can be found on the Commission's website.

The Commission aims to discharge its functions in a lawful, ethical, economical, and effective way. Throughout the reporting period, the Commission had a Corporate Plan that supported the Commission in achieving its aims. The Corporate Plan had four objectives:

1. to identify high-level organised crime figures and their associates, and to conduct effective criminal investigations with a view to apprehension of those persons;

2. to identify persons who have gained substantial financial benefit from criminal activities; to identify the benefits acquired and confiscate assets, returning the proceeds to the Crown;
3. to carry out investigations using the most advanced technological facilities; and
4. to administer the Commission Act and the CAR Act effectively, while managing the organisation responsibly and equitably, and using public resources for maximum public benefit.

These aims and objectives fall within Goal 16 of NSW 2021: to prevent and reduce the level of crime.

Shortly after the end of the reporting period, the Commission finalised its 2014–2016 Corporate Plan, which can be found on the Commission's website.

## **Responsible Minister**

Administration of the Commission Act and the CAR Act was, throughout the reporting period, assigned to the Minister for Police and Emergency Services, the Hon. Michael Gallacher MLC until 2 May 2014, and the Hon. Stuart Ayres MP from 6 May 2014.

## **The Commissioner and Assistant Commissioners**

### ***Mr Peter Hastings QC***

Commissioner Hastings has been a barrister for more than 35 years and was appointed Queen's Counsel in 1992. He practiced extensively in criminal law, appearing for the prosecution and defence. Mr Hastings was Senior Counsel Assisting the Kennedy Royal Commission into Police Corruption in Western Australia between 2002 and 2004 and was Counsel for the Commissioner of Police in the Wood Royal Commission in 1995 and 1996.

### ***Mr Peter Singleton***

Assistant Commissioner Singleton, BA (Hons), LLB, has been a barrister for more than 15 years. Mr Singleton has extensive experience in administrative and criminal law. Prior to the appointment of Mr Hastings, Mr Singleton was the Commissioner for the Commission. Under Mr Phillip Bradley, Mr Singleton was the Assistant Commissioner for the Commission for two years.

### ***Mr Robert Inkster OAM APM***

Mr Inkster, GradDipCrim, took up the role of Assistant Commissioner in December 2012. Prior to this, Mr Inkster served in the NSW Police for 39 years, retiring in October 2004 with the rank of Detective Chief Superintendent. During his tenure with NSW Police, Mr Inkster specialised in the investigation of serious and organised crime. Following his retirement from the NSW Police, Mr Inkster served as Chairman of the Board of the Tow Truck Authority of NSW between 2005 and 2007, and as a Community Representative with the State Parole Authority between 2004 and 2012.

## Management Committee

### *Functions of the Management Committee*

The functions of the Management Committee are:

- to refer, by written notice, matters relating to relevant criminal activities, serious crime concerns, or the criminal activities of a specified criminal group to the Commission for investigation;
- to refer, by written notice, to the Commission, for reinvestigation police inquiries into matters relating to any criminal activities;
- to make arrangement for task forces to assist the Commission to exercise its functions;
- to approve the Commission to work in co-operation with such persons or authorities of the Commonwealth, the State or another State or Territory, including any task force or any member of a task force, as the Commission considers appropriate;
- to review and monitor generally the work of the Commission; and
- to make decisions on when the Commission should co-operate and consult with other bodies and persons.

The Management Committee may also:

- give directions and furnish guidelines to the Commission with respect to the exercise of its functions; and
- give directions and furnish guidelines to the Commission with respect to the internal management of the Commission.

The Commission must comply with directions or guidelines given by the Management Committee.

### *Management Committee activities in 2013–2014*

During the reporting period, the Management Committee met on a monthly basis.

During the reporting period, the Management Committee referred 18 new matters to the Commission for investigation. The references were given the following code-names:

**Table 1: New References**

Abercrombie	Balala	Conargo	Darkwood	Enmore	Fairlight
Georgia	Hollisdale	Illaroo	Jiliby	Kinchela	Mernot
Nightcap	Ohio	Teralba	Urisino	Yorklea	Zara

The new matters referred to the Commission include ten homicide cases, two drug trafficking matters, and investigations relating to threats to kill, public place shootings, extortion, corruption, gang activity, and money laundering.

The Management Committee authorised the renewal of 12 existing references and authorised the Commission to work in co-operation with the OCS (when it replaced the OC(T)S), and to work with officers of the ACBPS. In February 2014, the Management Committee authorised the Commission to withdraw from the Polaris Task Force as at March 2014. All other task force arrangements remain in place.

### ***Membership of the Management Committee***

The Commission Act constituted the Management Committee. During the reporting period, the Management Committee comprised:

- Mr D Patten (the independent chairperson);
- the Commissioner of Police, Mr Andrew Scipione APM;
- the Chair of the Board of the Australian Crime Commission ('ACC'), Mr Tony Negus APM;
- Mr Hastings; and
- the Acting Chief Executive Officer of the Ministry for Police and Emergency Services ('the MPES') (from July to September 2013), later Chief Executive Officer of the MPES (from October 2013), Ms Vicki D'Adam.

## **CRIMINAL INVESTIGATIONS**

### **Management of investigations**

The Commission's CID is responsible for discharging the Commission's criminal investigations functions.

A typical Commission investigation is conducted jointly, with one or more of the Commission's partner agencies, pursuant to a Management Committee reference or approval to work in a joint task force.

The Commission assigned each investigation in which it was involved to a CID Team. Within that CID Team, one or more criminal intelligence analysts carried out the Commission's investigative functions with respect to the investigation. Depending on the circumstances, an Intelligence Manager, Assistant Director, Director, Assistant Commissioner and/or Commissioner (or a combination of these people) supervised each investigation. The Commission monitored investigations through regular meetings, including with staff and senior police, written reports, and other means.

The NSW Police made the services of its task forces available to assist the Commission during the year. The task forces were subject to directions and guidelines issued by the Management Committee. Police officers in these task forces become members of the Commission, but retain the usual duties and powers of police officers, and remain under the command and control of the Commissioner of Police.

Officers from other agencies, including the AFP, the ACBPS, the ACC, and the AUSTRAC often participated in Commission investigations, contributing their additional skills, resources, and powers to each operation. As in other years, ACBPS officers worked onsite at the Commission and made an invaluable contribution to the success of Commission investigations. In recognition of the importance of co-location, the Commission has staff located in AFP premises and, until March 2014, had staff located at ACBPS premises.

Since March 2014, the Commission has conducted a significant number of its investigations in co-operation with the OCS pursuant to a Management Committee approval. The Commission also works closely with the Homicide Squad, other NSW Police Squads, and with other State and Commonwealth Task Forces.

### **Participation in joint task forces**

In addition to work done in conjunction with the NSW Police, the Commission participated in four multi-agency task forces, as follows.

#### ***Organised Crime (Targeting) Squad and Organised Crime Squad***

The Commission participated in the OC(T)S from its inception until its expansion and change to the OCS in February 2014. The Commission has continued to work with the OCS since its establishment.

The focus of the OC(T)S/OCS is the investigation of high-level organised crime in NSW. Before the establishment of the OCS, the Commission provided the OC(T)S with one dedicated CID team, access to the Commission's technical and linguistic services, and access to the Commission's statutory powers.

The establishment of the expanded OCS has resulted in a refocusing of the Commission's resources. The Commission has provided three CID teams to work with the OCS, including two specialist drug/organised crime teams and one specialist money laundering team. In addition to providing the OCS with access to the Commission's criminal analytical services, the Commission provides the OCS with financial analysis, technical and linguistic support, other operational support, and access to the Commission's statutory powers.

### ***Joint Organised Crime Group***

The Joint Organised Crime Group ('the JOCG') is a multi-agency task force comprising representatives from the Commission, the NSW Police, the AFP, the ACBPS, and the ACC.

The JOCG replaced the long-running Joint Asian Crime Group ('the JACG') in July 2009. The JACG/JOCG is one of the longest continually running multi-agency law enforcement task forces in NSW. The JACG was an intelligence-led investigative effort tasked with investigating Asian organised crime groups involved in the importation and trafficking of prohibited drugs.

The JOCG has expanded terms of reference to investigate organised crime groups involved in serious drug trafficking activities and associated money laundering. The primary focus of the JOCG is on organised crime groups involved in drug importation and distribution, and inter-state drug trafficking.

The Commission participated in the JACG/JOCG since the inception of the JACG in 1997. The Commission provides the JOCG with onsite criminal intelligence analysis, financial analysis, technical and linguistic support, and access to the Commission's statutory powers.

### ***Joint Counter Terrorism Team***

The NSW Joint Counter Terrorism Team ('the JCTT') was formally established in December 2007, although joint counter terrorism investigations had been underway for several preceding years. The various State JCTTs conduct intelligence and criminal investigations to prevent, disrupt, and investigate terrorist activities in Australia. The JCTT comprises officers from the AFP, the NSW Police, the Commission, and the Australian Security Intelligence Organisation ('ASIO'). Counter terrorism investigations are led by either the AFP or the NSW Police. The Commission provides the JCTT with onsite analytical, technical, and linguistic services, other operational support, and access to the Commission's statutory powers.

### ***Polaris Task Force***

The Polaris Task Force is a multi-agency task force comprising representatives from the NSW Police, the AFP, the ACC, and the ACBPS. The Commission participated in the Polaris Task Force from its inception in July 2010 until 28 February 2014.

The Polaris Task Force is responsible for investigating organised crime infiltration of the NSW waterfronts and related matters. It has the additional responsibility of identifying vulnerabilities in port environments and making recommendations to mitigate these vulnerabilities.

The Commission provided the Polaris Task Force with criminal intelligence analysis, financial analysis, technical and linguistic support, and access to the Commission's statutory powers.

## Use of statutory powers and authority

The Commission is able to exercise its powers under the Commission Act and the CAR Act to assist the Commission to discharge its functions. The powers conferred by the Commission Act were available to support the Commission's investigations and evidence gathering for both criminal prosecutions and proceedings under the CAR Act.

In addition to the Commission Act and the CAR Act, the Commission is recognised as a law enforcement agency for the purposes of a number of other Commonwealth and State statutes that confer investigative powers and rights on law enforcement agencies. The Commission's position under these statutes is the same as that of other law enforcement agencies.

The principal statutes the Commission uses for investigative purposes are as follows:

- The *Telecommunications (Interception and Access) Act 1979* (Cth) ('the TIA Act') provides for the interception (pursuant to warrant) of certain telecommunications (e.g., telephone calls), for access (pursuant to warrant) to certain stored communications (e.g., short message service [SMS] messages), and for access (pursuant to authorisation) to certain telecommunications call associated data. It also provides for the destruction of certain material that is no longer required.
- The *Surveillance Devices Act 2007* (NSW) ('the SD Act') provides for the use of surveillance devices (listening, optical, data, and tracking devices) under warrant.
- The *Law Enforcement (Controlled Operations) Act 1997* (NSW) ('the LECO Act') provides for authorisation of controlled operations involving what would otherwise be unlawful conduct.
- The *Law Enforcement and National Security (Assumed Identities) Act 2010* (NSW) ('the LENSAT Act') provides for the creation and use of assumed identities.

The figures in Table 2 relate to the CID and FID aspects of the Commission's work. Table 3 to Table 8 set out how often the Commission exercised or used its statutory powers and authorities under other legislation. Statistics on applications made by the Commission pursuant to the provisions of the CAR Act can be found in Table 14 in the Financial Investigations report.

### **Crime Commission Act 2012**

Table 2

Use of the legislation (and section of Act)	Total
Applications for search warrants (s. 17)	0
Summonses to appear at hearings (s. 24)	162
Notices to State public agencies (s. 28)	34
Notices to produce (s. 29)	1,408
Arrest warrants (s. 36)	0

### ***Law Enforcement (Controlled Operations Act) 1997***

Table 3

<b>Use of the legislation</b>	<b>Total</b>
Applications for authorities made	2
Authorities granted	2

### ***Law Enforcement (Powers and Responsibilities) Act 2002***

Table 4

<b>Use of the legislation*</b>	<b>Total</b>
Covert search warrants sought	0
Covert search warrants granted	0

\* A copy of the Commission's Annual Report under s. 242A of the LEPR Act is reproduced at [Appendix A](#).

### ***Law Enforcement and National Security (Assumed Identities) Act 2010***

Table 5

<b>Use of the legislation*</b>	<b>Total</b>
Applications to acquire and use an assumed identity	0
Applications granted	0
Authorities cancelled	2

\* A copy of the Commission's Annual Report under the s. 35 of the LNSAI Act is reproduced at [Appendix B](#).

### ***Surveillance Devices Act 2007***

Table 6

<b>Use of the legislation*</b>	<b>Total</b>
Applications made	56
Warrants sought in those applications	142
Warrants granted	142
Warrants refused	0
Emergency authorisations sought	2
Emergency authorisations approved	2

\* A copy of the Commission's Annual Report under subs. 45 (3) of the SD Act is reproduced at [Appendix C](#).

## **Telecommunications (Interception and Access) Act 1979 (Cth)**

Table 7

<b>Applications, warrants etc. (and section of Act)</b>	<b>Total</b>
Applications for A-party service warrants (subs. 46 (1) (d) (i))	198
Applications for A-party service warrants withdrawn	0
A-party service warrants refused	0
A-party service warrants issued	198
Applications for B-party service warrants (subs. 46 (1) (d) (ii))	6
Applications for B-party warrants withdrawn	0
B-party warrants issued	6
Applications for named person warrants (s. 46A)	145
Applications for named person warrants withdrawn	0
Named person warrants issued	145
Applications for entry warrants (s. 48)	0
Applications for entry warrants withdrawn	0
Entry warrants issued	0
Applications for stored communications warrants (s. 116)	8
Applications for stored communications warrants withdrawn	0
Stored communications warrants issued	8
Existing data authorisations (s. 178)	3,294
Prospective data authorisations (s. 180)	770
Destructions of intercepted material	641 <sup>†</sup>
Destructions of stored communications (s. 150)	6 <sup>†</sup>

† Intercepted material was destroyed in accordance with s. 79 of the TIA Act and s. 8 of the *Telecommunications (Interception and Access) (New South Wales) Act 1987* (NSW) ('TIA (NSW) Act').

## **Terrorism (Police Powers) Act 2002**

Table 8

<b>Use of the legislation*</b>	<b>Total</b>
Applications made	0
Warrants sought in those applications	0

\* A copy of the Commission's Annual Report under subs. 27ZB of the *Terrorism (Police Powers) Act* is reproduced at [Appendix D](#).

## **Organised crime disruption strategy**

As noted in the Commission's last annual report, the Commission has developed and implemented an organised crime disruption strategy in order to guide some of its

criminal investigation work. Part of this strategy included the development of a map of persons the Commission believes to be involved in varying forms of organised crime. The Commission's map of organised crime changes on a regular basis as the Commission updates it in response to changes in its understanding of the criminal environment. This includes the addition of new persons of interest and the removal of some of the persons who have been arrested, left the jurisdiction, died, or who, the Commission's inquiries indicate, are no longer involved in significant organised crime.

Before a person can be included in the Commission's map of organised crime, their activities are assessed by the Commission's Target Review and Intelligence Development Group ('the TRID Group'). The TRID Group comprises Commission management and senior NSW Police officers.

At the end of the reporting period, the Commission's organised crime map covered 521 persons, up from 424 at the start of the reporting period. The Commission added 120 persons to its map of organised crime in NSW over the course of the year and removed 23 persons of interest. At the end of the reporting period, 119 persons of interest included in the Commission's map of organised crime were the subject of active investigation, 28 were the subject of intelligence development work, 70 had been arrested, and the Commission was monitoring the activities of the remaining persons.

## **Dissemination of intelligence and information**

One of the functions of the Commission is to liaise with other agencies and to disseminate such intelligence and information to them as the Commission considers appropriate. Throughout the period, the Commission disseminated information and intelligence to its partner agencies pursuant to the Commission Act, the TIA Act, and the SD Act.

Dissemination is not required in circumstances where the information or intelligence is being communicated from one staff member to another and, given that the Commission conducts much of its work pursuant to task force arrangements in which police and others are made members of the staff of the Commission, the Commission's dissemination figures do not include a significant amount of intelligence passed to police and others.

Recipients of intelligence and information included the ACC, the AFP, the NSW Police, the South Australia Police, the Victoria Police, the Queensland Police, the Western Australia Police, the PIC, the ATO, the ACBPS, the AUSTRAC, Corrective Services NSW, the Crown Solicitor, the NSW Attorney General and Minister for Justice, the Office of the Director of Public Prosecutions, the Australian Commission for Law Enforcement Integrity, the Department of Immigration and Citizenship, the Queensland Crime and Misconduct Commission, the Australian Securities and Investments Commission, and the ASIO.

The number and types of disseminations are set out below:

**Table 9**

<b>Statutory Provisions</b>	<b>Disseminations</b>
Commission Act (s.13)	641
TIA Act (s.68)	98
SD Act (subs. 40 (5))	0
<b>Total</b>	<b>739</b>

## Results of investigations

The Commission reports on the arrests, charges and seizures (of money, drugs, weapons and other items) that arise from its investigations. It is not practicable for the Commission to track or report on the arrests, charges and seizures that arise from its disseminations of intelligence and information to other agencies, but those are significant.

The prosecution process usually commences with an arrest. The Commission's investigative work is largely complete when a brief is delivered to the DPP or the Commonwealth Director of Public Prosecutions ('CDPP'). The DPP or CDPP then decides whether there is (or is not) sufficient evidence to commence or continue a prosecution of the matter. The Commission does not generally track or report on the results of prosecutions.

In its previous report, the Commission noted the difficulties associated with measuring the performance of its operations. Some of the measures the Commission uses are listed in Table 10 below. These include arrests and charges, the number of summonses and notices to produce issued by the Commission, the number of search warrants, and the number of disseminations made by the Commission.

The Commission acknowledges that these measures are limited in how they assess the performance of the Commission's CID. Factors beyond the control of the Commission and its partner agencies often distort performance. For example, an investigation may run for several years before a single arrest is made in the matter; however, the lack of arrests does not reflect the performance of the investigation. Instead, it may mean that in one year, the number of arrests and charges appears to be smaller, but in the next year it may appear that there has been a significant improvement in performance. In addition, the basic numbers associated with the arrests and charges does not reflect the significance of the nature of the offences involved. The Commission has attempted to address this in its [analysis of arrests and charges](#) below.

**Table 10**

Measure	2009–10	2010–11	2011–12	2012–13	2013–14
Arrests	190	139	92	169	175
Charges	1,685	734	431	684	684
Summonses	79	173	132	163	<b>162*</b>
Search warrants	8	37	9	0	<b>0</b>
Notices to government agencies <sup>†</sup>	110	65	79	58	<b>34</b>
Other notices <sup>†</sup>	1,439	1,460	1,343	1,615	<b>1,408</b>
Arrest warrants	0	0	1	3	0
Total disseminations	787	676	602	794	739

\* The bolded figures relate solely to the use of powers under the Commission Act.

† These are combined figures indicating the total number of notices to produce obtained by the Commission's CID and FID over the course of the year.

The tables below report results according to the Commission references, or approvals to work in co-operation with a task force, under which the relevant investigations took place. There are occasions on which an investigation is pursued under more than one reference or approval. In such cases, the statistics have not been duplicated; rather, the information has

been assigned to the dominant reference or approval. In addition to reporting seizures in accordance with the relevant reference or approval (see Table 12: Seizures by reference), the significant seizures have been collated to show the volume of illegal goods that were seized in the reporting period (see Table 13: Total key seizures).

Table 11 reports figures for all references that led to arrests in the reporting period or for the purposes of which the Commission exercised its statutory powers. It may be noted that some investigative steps occur after a person is arrested, and Table 11 records nil arrests and charges in respect of some references under which arrests had been made in earlier years, or in which arrests are yet to be made. On the other hand, not all arrests are for charges of the predominant type of offence being investigated under the reference.

It is important to note that the Commission does not itself make arrests: that is a function of the NSW Police and the AFP. The Commission's statistics on arrests and seizures—contained in the following tables—include only those arrests and seizures that come to the attention of the Commission and therefore may understate the position.

### ***Arrests and charges by Commission reference***

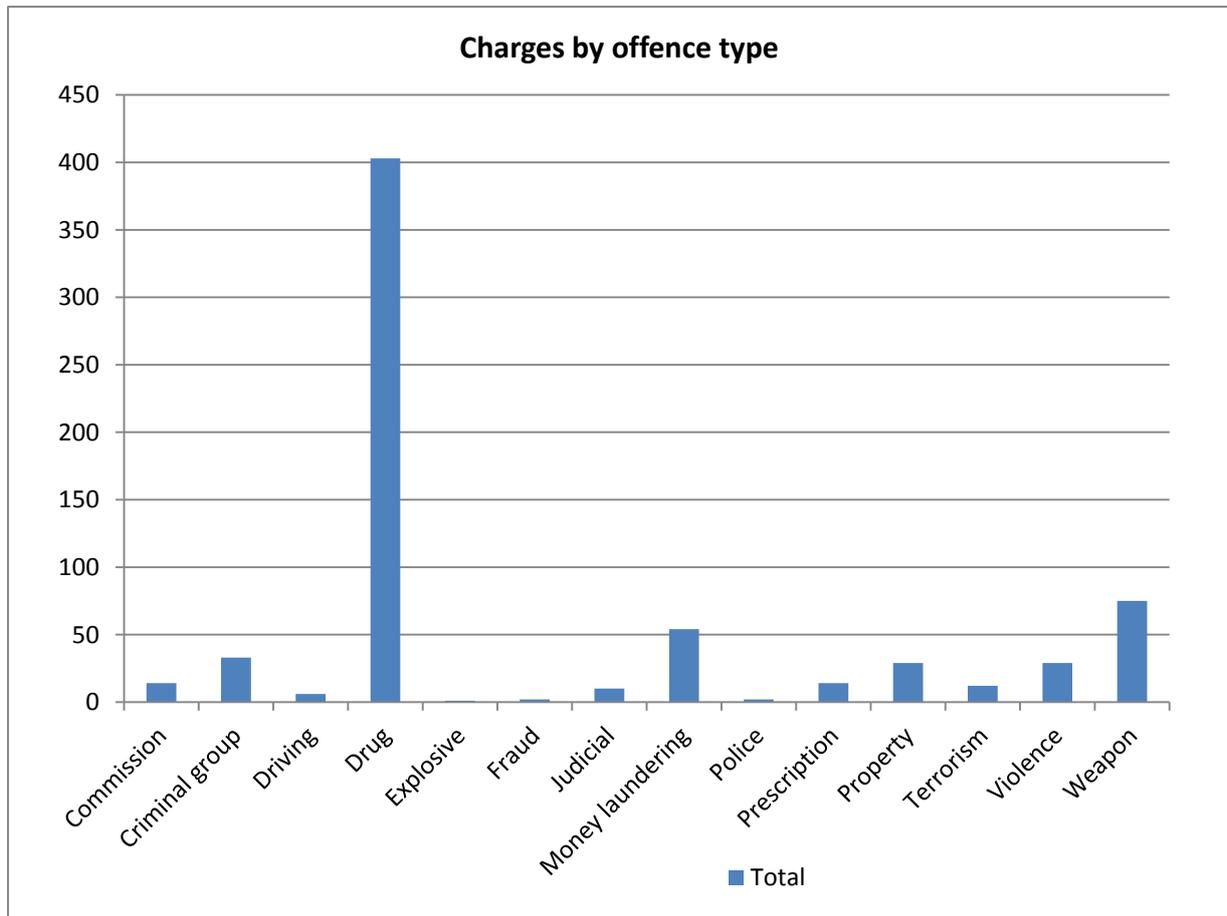
**Table 11**

<b>Reference or task force</b>	<b>Type</b>	<b>Arrests</b>	<b>Charges</b>
<i>Abercrombie</i>	Homicide	2	2
<i>Arkansas</i>	Drugs	33	160
<i>Bagnoo</i>	Homicide	0	0
<i>Balala</i>	Homicide	0	0
<i>Cabarita</i>	Homicide	0	0
<i>Calga</i>	Homicide	0	0
<i>Conargo</i>	Corruption	0	0
<i>Connecticut</i>	Drugs	0	0
<i>Dargan</i>	Public place shootings	4	12
<i>Darkwood</i>	Homicide	0	0
<i>Enmore</i>	Homicide	0	0
<i>Fairlight</i>	Threats to kill	0	0
<i>Federal</i>	Drugs/waterfront	5	12
<i>Garra</i>	Drugs	8	40
<i>Georgia</i>	Public place shootings	5	13
<i>Gilmore</i>	Drugs	26	116
<i>Hampton</i>	Homicide	0	0
<i>Hilldale</i>	Drugs	0	0
<i>Hollisdale</i>	Homicide	0	0
<i>Illaroo</i>	Gangs	0	0
<i>Jiggi</i>	Drugs	5	29
<i>Jiliby</i>	Homicide	0	0

Reference or task force	Type	Arrests	Charges
<i>JCTT</i>	Terrorism	5	18
<i>JOCG</i>	Drugs	10	31
<i>Kamarah</i>	Homicide	5	8
<i>Kinchela</i>	Homicide	0	0
<i>Lapstone</i>	Homicide	0	0
<i>Limbri</i>	Homicide	1	2
<i>Mernot</i>	Extortion	0	0
<i>Milperra</i>	Homicide	1	1
<i>Nabiac</i>	Drugs	7	35
<i>Neville</i>	Firearms	2	6
<i>Nightcap</i>	Money laundering	0	0
<i>Ohio</i>	Drugs	0	0
<i>Oranmeir</i>	Firearms	0	0
<i>Organised Crime Squad and Organised Crime (Targeting) Squad</i>	Drugs	19	60
<i>Pambula</i>	Homicide	0	0
<i>Pimlico</i>	Homicide	0	0
<i>Polaris</i>	Drugs	9	40
<i>Queanbeyan</i>	Money laundering	0	0
<i>Ramsgate</i>	Gangs	13	45
<i>Teralba</i>	Homicide	0	0
<i>Urisino</i>	Homicide	0	0
<i>Villawood</i>	Drugs	5	7
<i>Wakeley</i>	Drugs	0	0
<i>Yallah</i>	Gangs	6	24
<i>Yorklea</i>	Drugs	2	8
<i>Zara</i>	Homicide	2	15
	<b>Total</b>	<b>175</b>	<b>684</b>

### **Analysis of arrests and charges**

The Commission's charter traditionally prioritised the investigation of drug offences over other forms of criminal activity. As a result, the Commission has developed a degree of expertise in relation to the identification and disruption of the different types of drug offences. In the last reporting period, as can be seen in Figure 1, approximately 58 per cent of the charges laid in matters in which the Commission was involved related to drug supply.



**Figure 1**

As can be seen in Figure 2, approximately 75 per cent of the drug charges laid in connection with Commission investigations related to the supply of prohibited drugs. Approximately 52 per cent of the drug supply charges related to the supply of greater than commercial or greater than large commercial quantities of prohibited drugs. These are the two most serious drug supply offences under the *Drug Misuse and Trafficking Act 1985*.

Commission investigations often involve the identification of drug manufacturing sites (also known as clandestine drug laboratories). In the last reporting period, 14 per cent of drug charges laid in connection with Commission investigations related to the manufacture of prohibited drugs. Perhaps of most concern for law enforcement, this included 15 charges linked manufacturing greater than large commercial quantities of prohibited drugs, and four counts of manufacturing commercial quantities of prohibited drugs.

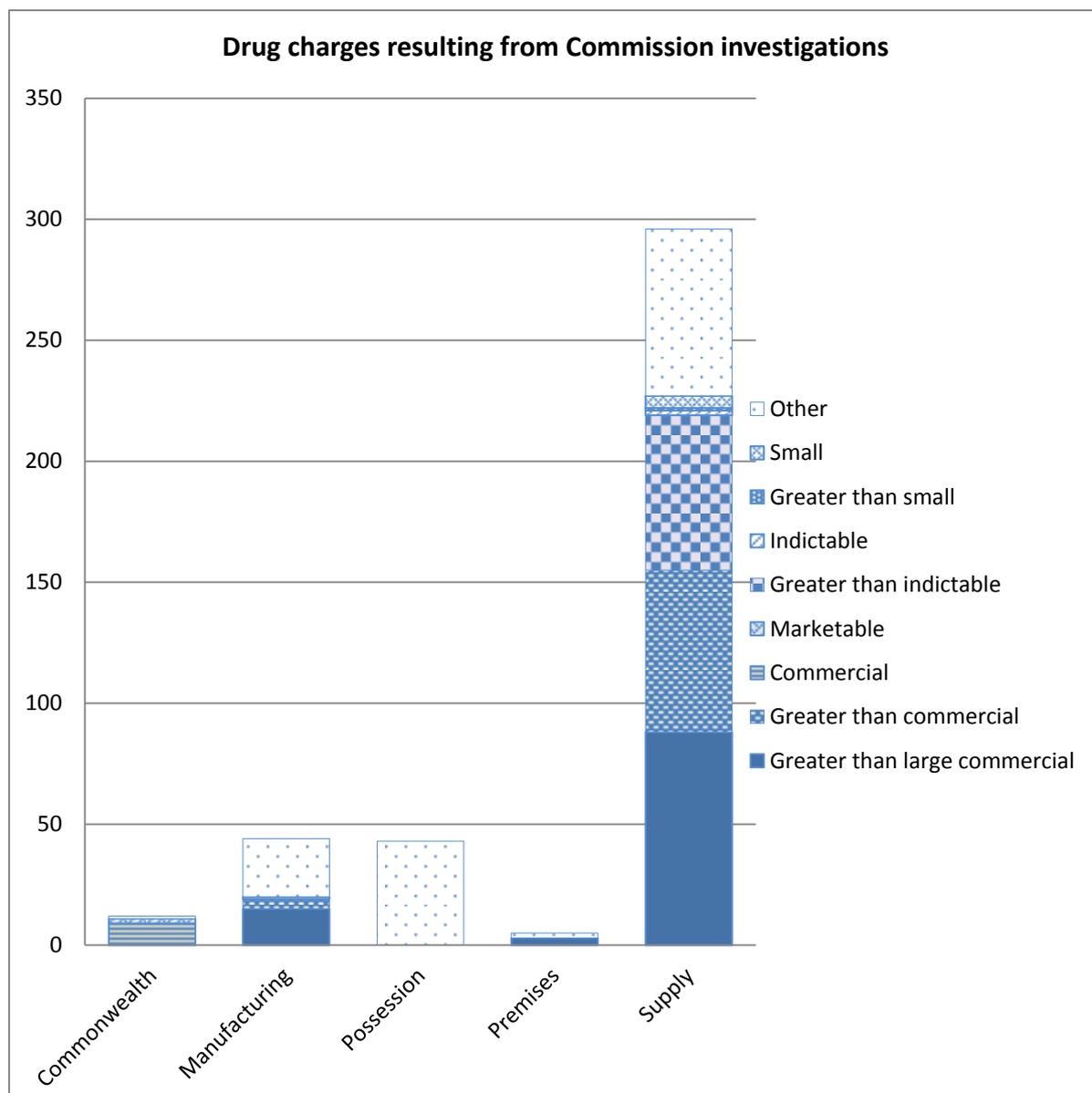


Figure 2

In addition to being involved in drug trafficking investigations, the Commission has a long history of participating in homicide investigations alongside the NSW Police. The NSW Police do not refer homicide investigations to the Commission until such time as they believe that the Commission’s statutory powers and/or experience are necessary to progress the investigation. In addition to charges arising from homicide investigations, a number of other charges relating to serious violence were laid during the course of the year in other investigations.

In the last reporting period, NSW Police laid 83 charges in relation to eight homicide investigations in which the Commission participated. This included eight counts of murder, four counts of shooting with intent to murder (attempted murder), and four counts of accessory after the fact to murder. The further 67 charges related to drug offences, firearms offences, offences against the Commission, participation in a criminal group, and a number of other offences.

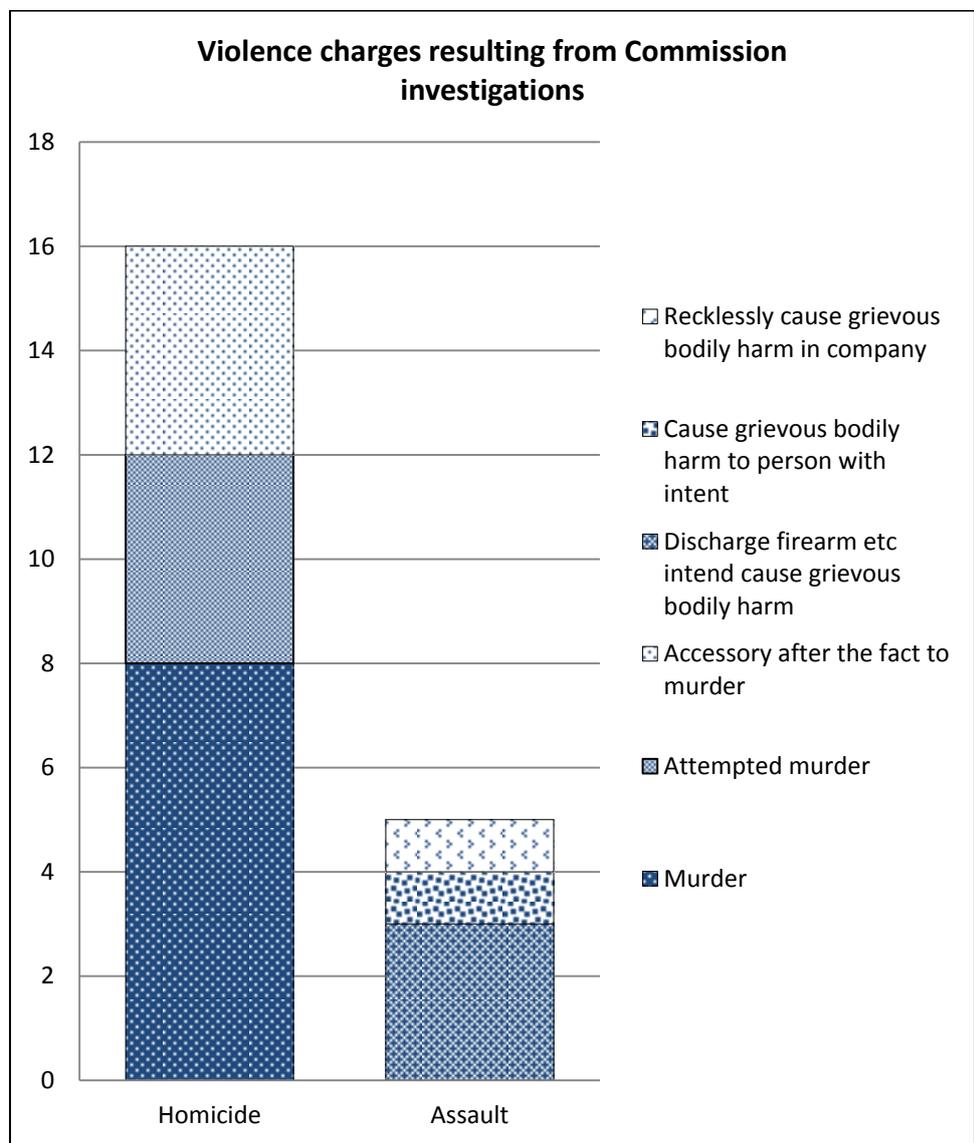


Figure 3

## Seizures

Table 12: Seizures by reference

Reference or task force	Prohibited drugs and precursor chemicals	Weapons and ammunition	Cash*	Other
Arkansas	<p><i>Prohibited drugs</i></p> <p>280 g amphetamine powder            4,150 g methylamphetamine oil            5,500 ml methylamphetamine oil            58,362.4 g methylamphetamine powder            30.5 g MDMA            1,200 MDMA pills            7.9 g cocaine            18.3 g cannabis leaf            729 LSD pills            1,995.2 g unknown powder</p> <p><i>Precursor chemicals</i></p> <p>92 g ephedrine            5,000 ml hypophosphorous acid            20,000 g iodine            5,000 g pseudoephedrine</p>	<p>1 prohibited firearm</p> <p>281 rounds .22 calibre            18 rounds .45 calibre</p>	<p>\$122,100            USD50,200</p>	<p><i>Drug manufacture related</i></p> <p>1 clandestine drug laboratory            1 document entitled 'large scale methamphetamine manufacture'            Pill press dyes            Glassware used in drug manufacture            Cutting agents and other chemicals used in drug manufacture</p> <p><i>Other items</i></p> <p>A variety of steroids            Drug scales            Drug paraphernalia</p> <p><i>High-value property</i></p> <p>2 boats</p>
Garra	<p><i>Prohibited drugs</i></p> <p>27,241 g methylamphetamine oil            5,297 g methylamphetamine powder            4,059 g methylamphetamine wax            5.8 g cocaine</p>	<p>1 Glock with 14 round magazine            1 9mm Kel-Tec pistol with 7 round magazine            1 .22 revolver            1 .50 Action Express gold plated Desert Eagle</p>	<p>\$1,249,980</p>	<p><i>Drug manufacture related</i></p> <p>2 clandestine drug laboratories            A large quantity of drug manufacturing equipment            Cutting agents and other chemicals used in drug manufacture</p>

Reference or task force	Prohibited drugs and precursor chemicals	Weapons and ammunition	Cash*	Other
	<i>Precursor chemicals</i> 43 g ephedrine 332,969g hypophosphorous acid 20,000ml hypophosphorous acid 377,047 g iodine 20,000 ml isosafrole 1,033 g pseudoephedrine 902 g safrole	1 9mm Cobrayo submachine gun 1 .357 Smith and Wesson Magnum revolver 2 stun guns 3 capsicum sprays Magazines for assault rifles A large quantity of ammunition of various calibres		<i>Other items</i> A variety of steroids Drug paraphernalia Heating sealing machine Money counter <i>High-value property</i> 1 Mercedes C63 1 Mercedes CLK 1 Jeep 1 Macaw 1 Diamond python
<i>Gilmore</i>	<i>Prohibited drugs</i> 34,100 g methylamphetamine powder 25,000 MDA pills 1,000 g cocaine 1,700 g heroin <i>Precursor chemicals</i> 20,000 g ephedrine 20,000 g pseudoephedrine	10 firearms	\$1,300,000	
<i>Jiggi</i>	<i>Prohibited drugs</i> 134,000 g crystalline methylamphetamine 15,902.47 g methylamphetamine powder 11.4 g cannabis leaf	knives	\$3,200	

Reference or task force	Prohibited drugs and precursor chemicals	Weapons and ammunition	Cash*	Other
JOCG	<i>Prohibited drugs</i> 59,260 g methylamphetamine powder <i>Precursor chemicals</i> 25,000 g pseudoephedrine	1 9mm Taurus PT-99 AFS stainless steel semi-automatic pistol	\$1,953,835	<i>Other items</i> A quantity of steroids
Nabiac	<i>Prohibited drugs</i> 2,309 g methylamphetamine powder 614 g heroin 28 g unknown powder		\$422,670	
OC(T)S OCS	<i>Prohibited drugs</i> 8,730 g methylamphetamine powder 27,000 ml methylamphetamine liquid 6,200 g cocaine 870 g heroin 225 cannabis plants 20,000 g cannabis leaf 3.5 g unknown powder <i>Precursor chemicals</i> 1,000 g ContactNT <sup>†</sup> 151,000 g ephedrine 69,000 g pseudoephedrine	1 SKS assault rifle 1 sawn off rifle 1 double barrel shotgun 300 rounds 7.62 calibre	\$1,231,114	

Reference or task force	Prohibited drugs and precursor chemicals	Weapons and ammunition	Cash*	Other
Polaris <sup>‡</sup>	Prohibited drugs 120,000 ml para-Methoxy-N-methylamphetamine ('PMMA') <sup>§</sup>		\$999,800	Drug manufacture related 1 clandestine drug laboratory High-value property 1 Mercedes G63 1 Mercedes SL350 Jewellery, including a Hublot watch valued at approximately \$180,000

\* Australian dollars unless stated otherwise.

† Contains c. 40% pseudoephedrine.

‡ The figures do not reflect the total Polaris Task Force seizures for the year, but relate to investigations in which the Commission participated.

§ PMMA is an MDMA analogue.

**Table 13: Total key seizures**

Item	Amount		
Cash	AUD6,282,899 USD50,200		
Drugs – ATS	Amphetamine	Powder	280 g
	Methylamphetamine	Crystalline	134,000 g
	Methylamphetamine	Liquid	27,000 ml
	Methylamphetamine	Oil	31,391 g
	Methylamphetamine	Oil	5,500 ml
	Methylamphetamine	Powder	183,961 g
	Methylamphetamine	Wax	4,059 g

Item	Amount		
Drugs – ATS (continued)	MDMA		30.5 g 1,200 pills
	MDA		25,000 pills
	PMMA	Oil	120,000 ml
Drugs – Cannabis	Plants		225
	Leaf		20,030 g
Drugs – Cocaine			7,214 g
Drugs – Heroin			3,184 g
Drugs – Other	LSD		729 pills
Drugs – Precursor chemicals	ContactNT		1,000 g
	Ephedrine		171,135 g
	Hypophosphorous acid		357,969 ml
	Iodine		397,047 g
	Isosafrole		20,000 ml
	Pseudoephedrine		120,033 g
	Safrole		902 g
Weapons – Ammunition	281 rounds .22 calibre ammunition 18 rounds .45 calibre ammunition 300 rounds 7.62 calibre ammunition Large quantity of rounds of differing calibres		

Item	Amount	
Weapons – Firearms	11 firearms (no further detail) 1 Glock with 14 round magazine 1 9mm Kel-Tec pistol with 7 round magazine 1 .22 calibre revolver 1 .50 calibre Action Express gold plated Desert Eagle 1 9mm Cobrayo submachine gun 1 .357 Smith and Wesson Magnum revolver 1 9mm Taurus PT-99 AFS stainless steel semi-automatic pistol 1 sawn off rifle 1 double barrel shotgun 1 SKS assault rifle 2 stun guns 3 capsicum sprays	
	Total firearms	26
Significant miscellaneous seizures	4 clandestine drug laboratories Drug manufacturing equipment including glassware, pill press dyes, cutting agents and other chemicals 2 boats 1 Mercedes C63 1 Mercedes CLK 1 Jeep 1 South American Macaw 1 diamond python Jewellery	

## **CID case studies**

The Commission participated in a variety of different investigations including drug manufacture and supply, fraud, money laundering, and homicide investigations. The majority of the Commission's investigations, including most of its homicide inquiries, relate to the activities of organised crime groups. The matters mentioned below are cases where persons of interest have been arrested and/or convicted for a variety of offences arising from Commission investigations.

### ***Garra/Gingera***

The Commission and the NSW Police Drug Squad conducted a year-long joint investigation, code-named *Garra/Gingera*, into the manufacture and supply of prohibited drugs, and associated offences, by organised crime figures in NSW.

The Commission provided the NSW Police Drug Squad with criminal and financial analytical expertise, along with access to the Commission's resources and statutory powers.

During the investigation, the Commission identified the site of a possible clandestine drug laboratory. NSW Police were later able to confirm the site was an active drug lab. NSW Police estimated the drug lab was capable of producing a kilogram of methylamphetamine each night. Later in the investigation, NSW Police and the Commission identified a second clandestine lab.

Significant seizures associated with the investigation included a substantial quantity of precursor and other chemicals, approximately 27 litres of methylamphetamine oil, 5 kilograms of methylamphetamine powder, 4 kilograms of methylamphetamine wax, a large amount of drug manufacturing equipment, \$1.25 million in cash, luxury vehicles, five handguns, one submachine gun, three cans of pepper spray, two stun guns, steroids, a South American Macaw, and a diamond python.

Eight people were charged with a total of 40 offences as a result of the investigation, including offences relating to the manufacture and supply of prohibited drugs, and money laundering. These matters are before the courts.

The investigation highlighted the importance of co-operative, proactive and intelligence-led approaches to combating serious and organised crime.

### ***Hilldale/Woolcott/Rozelle***

In February 2013, the JOCG seized 585 kilograms of crystal methylamphetamine imported through Port Botany. The seizure was followed by a controlled delivery. Three individuals attempted to retrieve the shipment and were arrested and charged with a variety of Commonwealth and State offences. The persons who were arrested pleaded guilty and were sentenced to a combined total of 43 years and six months imprisonment with a combined non-parole period of 26 years and six months.

The seizure was a result of a long-term investigation (Strike Force Rozelle) conducted by the NSW Police Asian Crime Squad and the Commission, which was later referred to the JOCG. The Commission provided analytical and technical services in respect of the investigation, and assisted in the identification of the persons of interest and in identifying the importation.

## **PATTERNS AND TRENDS IN THE NATURE AND SCOPE OF ORGANISED CRIME**

Organised crime in Australia has undergone a radical change over the last twenty years. It has moved from ethno-centric hierarchical groups to ethnically diverse networks of individuals and groups that come together to commit particular offences. In such situations, each person or group may contribute a particular skill set to the criminal enterprise.

The Commission's experience indicates that the process of breaking down barriers that existed in traditional models of organised crime has accelerated in recent years. It is likely that this is a reflection of the globalisation, specialisation, and professionalisation of elements within organised crime.

The lack of structure and hierarchy in modern organised crime makes it difficult for law enforcement to detect and disrupt, as individuals and groups may only work together for a short period before separating. In many cases, it is only if a network has been operating together for some time that their activities come to the notice of law enforcement and can be disrupted.

### *Drug offences in NSW*

Organised crime in New South Wales is largely based on drug trafficking. Apart from cannabis, hard drugs or their precursors are invariably imported into Australia and hence NSW.

Australia is a highly profitable drug market and the Commission has detected multiple transnational drug trafficking groups operating within Australia. In addition, the Commission has identified Australian nationals who have elected to leave Australia and base themselves overseas. The Commission believes that they have done this in order to reduce their chances of being arrested in Australia and to protect assets that they have acquired as a result of their offences from Australian confiscation proceedings. While these individuals may live overseas, they continue to maintain connections with criminal groups within Australia and to be involved in offences within Australia.

As well as being involved in the detection of a number of drug importations over the past year, the Commission has also been involved in identifying clandestine drug laboratories. The Commission's investigations have indicated that there is an increasing level of manufacture of methylamphetamine in NSW. This includes the conversion of methylamphetamine oil into the more familiar methylamphetamine powder. In addition, the size of the clandestine drug laboratories appears to be increasing.

### *Homicides in NSW*

Although the Commission's main focus is on disrupting organised crime, the Commission has continued to devote considerable resources to the investigation of other serious crime in NSW – primarily homicides. The murder rate within NSW has fallen over the last ten years, but Commission experience indicates there has been increase in the number of organised crime murders over the last two years, usually drug related.

The investigation of organised crime related murders often comes to the Commission because both the victims and the offenders are involved in criminal activity and, as a result, are aware of law enforcement methodologies. This means that the investigations can be protracted and require intensive resourcing by the Commission and the NSW Police. In many cases, there is a reluctance on the part of potential witnesses to speak out in these

matters which has required the use of the Commission's statutory powers to advance the investigation. The need for statutory powers has increased as the Commission has detected a disturbing culture in organised crime groups which includes attempts to influence, threaten or harm persons who are witnesses in criminal proceedings.

#### *Money laundering in NSW*

Organised crime groups that import drugs into the country have to pay the overseas suppliers. Criminal activity constituting money laundering in organised crime falls into two categories – the transfer of funds as an 'instrument of crime' (e.g. paying for drugs), and distributing and consuming the profits of crime. In the first category, it needs to be recognised that the capacity to transfer funds offshore efficiently is an essential element in the continuity of the business of serious organised crime groups. In relation to the second category, organised and serious crime is profit driven, and criminals are sufficiently astute to realise that there is little point in making a profit from illegal activities if they are at risk of confiscation.

As a result, persons involved in these activities require ways to launder the income generated by their offences. As indicated in the Commission's last Annual Report, the Commission has noted an increase in the use of professional launderers within the criminal fraternity. In an effort to combat money laundering, the Commission and the expanded OCS have established a money laundering team to investigate professional money launderers.

The investigations in the last year have highlighted issues associated with the alternate remittance sector. In the Commission's experience, persons involved in organised crime commonly use this sector to send funds overseas.

The volume of funds under consideration is large. In one case, a single alternate remitter sent at least \$265 million overseas in an eight year period. In another case, the value of the identified transactions was at least \$59 million over a four month period in 2013–2014. Analysis of the identified transactions in the first case indicated that they were largely funded by bulk cash transactions (in the case of one of the agents involved, the average value of each transaction was over \$100,000 in cash).

While some of the alternate remitters identified may be unwitting dupes of organised crime networks, the investigations carried out by the Commission indicate that a significant number are knowingly involved in money laundering. They consciously subvert the anti-money laundering/counter-terrorism financing ('AML/CTF') requirements to enable people to send money overseas in ways that cannot be tracked effectively. This includes accepting bulk cash without knowing the source of the money and falsifying records.

Commission investigations over the last year have shown that some of the alternate remitters use highly sophisticated methods to try and conceal transactions from law enforcement. This has included complex layering and structuring within Australia before sending the funds offshore, the misuse of complex corporate structures, and the use of third-party bank accounts.

While the Commission has powers under the Commission Act and the CAR Act to monitor bank accounts and report on transactions, these powers are largely ineffective when dealing with professional money launderers. It can take months to trace the origin and destination of a single transaction when that transaction has been layered through multiple accounts. The

time involved can mean that by the time a single transaction has been traced, the money launderer has changed accounts, left the jurisdiction, or changed their methodology.

Some of the problems the Commission has identified in relation to money laundering, and other financial crime, could be overcome through closer co-operation between the financial sector, law enforcement, and regulatory bodies. The Commission believes that it is in the public interest to foster close ties between law enforcement, regulatory bodies, and the financial sector in Australia and overseas. Such ties could also increase the efficiency and effect of Australia's AML/CTF framework which is currently unable to cope with sophisticated or complex money laundering.

### *Terrorism*

The Commission continues to be involved in the investigation of politically and religiously motivated violence, and in the offences that facilitate these activities. The importance of these investigations was highlighted during the reporting period by the escalation of the conflicts in Iraq and Syria. While these conflicts initially appeared to be localised, since the end of the reporting period the leadership of Islamic State have called upon their followers to perform acts of violence against Western states, including Australia.

The Commission is aware that a number of Australians are currently fighting for Islamic State and other organisations in Syria and Iraq. In addition, there are several NSW-based networks involved in raising funds for such organisations, radicalising people, and recruiting people to fight for the terrorist groups. The JCTT's investigations indicate that the fundraising is frequently conducted under the guise of humanitarian collections aimed at providing relief to the persons displaced by the conflicts; contributors to these fundraising campaigns are often unaware of the ultimate destination of their donations. In many cases, the funds are sent to Syria and Iraq using the alternate remittance sector or cash couriers.

JCTT investigations have identified members of Australian-based support networks who, as well as supporting the activities of Islamic State in Syria and Iraq, are believed to be involved in planning attacks in Australia. Inquiries conducted by the JCTT indicate that Islamic State sympathisers are endeavouring to establish relationships with organised crime figures, attempting to radicalise and recruit such persons, and seeking to purchase illicit goods from organised criminal groups in order to conduct attacks within Australia.

### *Criminals using encrypted telecommunications services and devices*

The availability of secure communications is a critical element in the success of any criminal enterprise. The Commission has seen a steady increase in the use of encrypted communications methods, such as Phantom Secure BlackBerry devices and free downloadable applications for smart phones, over the last two years. The Commission is not aware of any legitimate enterprise in Australia that is using Phantom Secure BlackBerry devices and believes that the use of these devices is solely confined to criminal groups.

In addition to facilitating drug trafficking and fraud, the Commission is aware that encrypted BlackBerry devices have been used to arrange at least two murders. In these cases, the devices were used to lure victims to meetings where they were killed. The level of encryption on these devices has hampered investigation into the murders.

## **FINANCIAL INVESTIGATIONS: CRIMINAL ASSET CONFISCATION**

### **Role of financial investigation**

In its FID, the Commission employs several expert forensic accountants and financial analysts who specialise in tracing the proceeds of crime and identifying assets held by, or on behalf of, those suspected of criminal misconduct, including proceeds and assets that have been subjected to money laundering and other efforts to hide them.

The primary purpose of the Commission's financial investigators is to support the discharge of the Commission's functions under the CAR Act, which is discussed below. However, financial inquiries are an invaluable aid in criminal investigations. Financial investigations are sometimes deployed as the leading investigative strategy, as organised criminal groups are primarily motivated by money. The FID's Criminal Investigation Support Team is co-located with the CID and provides forensic accounting contributions to the CID's work. In turn, the CID gathers intelligence and evidence for the FID to use in confiscation action.

The Commission has protocols to ensure a proper separation of the two roles. In particular, the Commission does not trade information and intelligence for leniency in confiscation: that is, the Commission does not pursue confiscation action less vigorously or to a lesser extent because of a person's co-operation with the CID, nor does it seek information, intelligence or other co-operation when negotiating confiscation matters.

### **The confiscation process**

The confiscation process begins when the FID receives a referral from another part of the Commission (generally the CID) or from a partner agency (generally the NSW Police). The FID then assesses the referral to determine whether or not the Commission should commence confiscation proceedings in the matter. In the event that the Commission determines that there are sufficient grounds to start confiscation proceedings, the Commission makes all relevant applications through the Supreme Court of NSW ('the Court').

Confiscation proceedings are civil proceedings. As such, they are governed by the Court and statutory rules in respect of civil proceedings. This means that the Commission must attempt to settle each matter by negotiation rather than proceeding directly to a contested hearing. The majority of the Commission's confiscation proceedings are settled following negotiations with the defendant.

If the proceedings are settled, the Commission prepares and presents orders to the Court. These orders include a certification that the Commission has complied with the Management Committee guidelines about negotiating the terms of settlements.

If the Commission is unable to reach agreement with the defendant, the matter proceeds to a contested hearing based on the evidence available at the time. The result of the hearing is an order, or orders, of the Court disposing of the proceedings either in favour of or against the Commission.

Once the Court has made orders in the matter, the Commission takes the actions necessary to give effect to the orders. In the case of assets forfeiture orders, the NSW Trustee and Guardian sells the assets and remits the proceeds to the NSW Treasury. In the case of

proceeds assessment orders ('PAO') and unexplained wealth orders ('UWO'), the Commission has a role in obtaining payment. In most cases, the debt due to the Crown is secured by real estate or other collateral, and interest accrues.

A full description of the confiscation process and the factors considered by the Commission in relation to confiscation proceedings can be found on the Commission's website.

### **Use of statutory information gathering powers**

In its efforts to gather information, material and evidence in confiscation matters, the Commission uses a range of statutory provisions that are appropriate in the circumstances.

The powers available to the Commission pursuant to the Commission Act, and statistics on their use, are given above. The statistics for FID's use of these powers (being a subset of the figure in Table 2 above, rather than in addition to those figures) are as follows:

**Table 14**

<b>Summons and Notices issued</b>	<b>No. issued</b>
Summons (s. 24 of the Commission Act)	0
Notice to produce (s. 28 of the Commission Act)	13
Notice to produce (s. 29 of the Commission Act)	1,192
<b>Total summonses and notices</b>	<b>1,205</b>

The combined total number of notices issued under these provisions (1,205) during the reporting period was less than the previous year (1,374) but was the third highest for any year that the Commission has kept records. The numbers of such notices issued is a crude measure of the amount of investigative work put into confiscation matters during 2013–2014, both prior to, and post, commencement of proceedings under the CAR Act.

As discussed above, the CAR Act also provides for the Commission to apply to the Court for the issuing of certain orders and warrants. The use of those provisions during the reporting period was as follows:

**Table 15**

<b>Orders (and provisions of the CAR Act)</b>	<b>No. sought</b>	<b>No. granted</b>
Examination orders (s. 12)	81	81
Examination orders (s. 31D)	5	5
Statement of affairs orders (s. 12)	66	66
Statement of affairs orders (s. 31D)	1	1
Production orders (s. 33)	0	0
Search warrants (s. 38)	0	0
Search warrants (ss. 44 and 45)	33	33
Monitoring orders (s. 48)	0	0

## Referrals

The Commission receives referrals for consideration of confiscation proceedings from a variety of sources, including other parts of the Commission and partner agencies. This year, 476 people were the subject of referrals and assessments. This figure was similar to that of 480 people in the previous financial year.

In its last annual report, the Commission expressed concern regarding a fall in referrals experienced in the last quarter of that year. This drop in referrals appears to have been temporary.

The Commission estimates that approximately one in six referrals results in confiscation proceedings. There are two main situations in which the Commission does not commence confiscation proceedings when:

- the value of the potential defendant's assets is not high enough to make proceedings worthwhile; or
- the assessment process indicates that it is unlikely that the potential defendant has derived sufficient proceeds of crime to make the proceedings viable.

The Commission's analysis of referrals indicates that the Commission receives the majority of confiscation referrals from NSW Police LACs following the arrest and charging of a person with a relevant offence. These arrests are often the result of short-term investigations focused on a particular criminal activity with little reference to the potential recovery of proceeds of crime. These referrals form the bulk assessed by the FID, but are the least likely to result in the start of confiscation proceedings.

In contrast, the matters that are most likely to result in significant confiscation outcomes are those in which the Commission's CID has been involved in the investigation. This is partly because the Commission is able to make an assessment of the person's financial position early in the investigation and work to uncover hidden assets throughout the inquiry, but also because of the serious and high-level nature of the investigations in which the Commission participates. The Commission is assisted in this endeavour by some of the most experienced police investigators in NSW. The Commission anticipates that the 2014 expansion of the OCS will lead to an increase in productive confiscation referrals over time.

## Confiscation and restraining orders

During the reporting period, the Commission began 77 cases (against 92 defendants, most of whom were the subject of referrals during the period) and applied for 92 confiscation orders, being 50 PAOs, and 42 UWOs. The Commission made 12 applications for confiscation orders without a concurrent application for a restraining order.

There are two main circumstances when the Commission will seek a confiscation order without an associated restraining order:

- where the defendant is not in a position to deal with the interest or interests in property that would otherwise be the subject of the restraining order application. Most commonly, this is where the interest is in an item of property, generally cash, which the NSW Police have seized. The NSW Police hold the property pursuant to non-CAR Act legislation; and

- where the Commission has obtained a restraining order for a defendant's jointly owned interest in real property, generally property owned with a spouse. During the course of the proceedings, the Commission may determine that there are grounds for seeking a confiscation order against the second person as well as the original defendant.

During the reporting period, the Commission sought and obtained a total of 81 restraining orders. All the applications were *ex parte*.

When the Court grants a restraining order, the Court requires the Commission, on behalf of the State, to give an undertaking as to damages. The Commission was not sued on its undertaking during the reporting period.

## Warranties

When proceedings are finalised by consent the defendant is required to provide a warranty as to his, her or its interests in property as at the date of the signing of the final consent orders. If the Commission subsequently discovers that the defendant failed to disclose an interest in property, the provisions of the CAR Act provide for the forfeiture of the undisclosed interest. If the defendant disposed of the undisclosed interest before it was discovered, the provisions allow for an order to be made requiring the defendant to pay to the Treasurer an amount equal to the value of the undisclosed interest.

During the reporting period, one order was made in respect of a breach of warranty. This matter is discussed in *New South Wales Crime Commission v Cassar (No 2)* [2013] NSWSC 1011 below.

## Analysis of confiscations during the reporting period

Based on the number and estimated realisable value of confiscation orders, the FID performed well during the reporting period. The total estimated realisable value of confiscation orders (\$28,297,732) exceeded that of the previous reporting period by \$8.7 million and was the third highest in the Commission's history. This achievement is more remarkable as there was no single extraordinary confiscation order (single orders of more than \$19.5 million in 2010 and more than \$11 million in 2008 made the achievements of those years somewhat anomalous).

Statistics for the reporting period in relation to these various outcomes are as follows:

Table 16

Outcome	By consent	Contested hearing	Total
AFOs made	39	2	41
PAOs made	40	2	42
UWOs made	5	0	5
Order for breach of warranty	0	1	1
Proceedings finalised by confiscation order application(s) being dismissed or proceedings discontinued	8	0	8
<b>Totals disposals</b>	<b>92</b>	<b>5</b>	<b>97</b>

The total number of disposals differs from the total number of applications because some of the disposals related to applications made in the previous reporting period, and some will not be finalised until the next reporting period.

In three of the PAOs made during the reporting period, the Court ordered that the value of the order be assessed at a later date. Two of these orders were made as a result of contested hearings.

Five UWOs had a total estimated realisable value of \$1.225 million. In a further 14 unexplained wealth matters, the Commission and the defendants agreed to the making of alternate confiscation orders, with the applications for UWOs being dismissed. The total estimated realisable value of those 14 confiscation orders was \$4,735,802.

The number of confiscation orders, and their estimated realisable values, with reference to the agencies that referred the matters to the Commission for assessment and possible proceedings, were as follows:

**Table 17**

<b>Source of referral</b>	<b>Number of Orders</b>	<b>Value \$</b>
NSW Police	69	17,001,647
Commission–NSW Police–ACC–ACBPS joint investigations	5	6,333,375
Commission–NSW Police joint investigation	9	3,820,961
Commission–NSW Police–AFP joint investigation	1	450,000
Commission–AFP joint investigation	2	226,749
Commission–NSW Police–AFP–ACC–ACBPS joint investigation	1	225,000
AFP	1	130,000
NSW Police–AFP joint investigation	1	110,000
<b>Total</b>	<b>89</b>	<b>28,297,732</b>

By reference to the type of order, the estimated realisable values of the various confiscation orders were:

**Table 18**

<b>Type of order</b>	<b>No. of orders</b>	<b>Estimated realisable value (\$)</b>
AFO	41	17,310,232
PAO	42*	7,762,500
UWO	5	1,225,000
Breach of warranty	1	2,000,000
<b>Total</b>	<b>89</b>	<b>28,297,732</b>

\* As discussed above, three PAOs were made but the amount of those orders has yet to be assessed. Those orders are included in those reported in the two preceding tables above.

## Estimated realisable value of confiscation orders

Two of the principal objects of the CAR Act are the recovery of proceeds of illegal activity and the recovery of unlawfully obtained wealth. As such, the Commission believes that the estimated realisable value of confiscation orders made during the year provides the best measure of the effectiveness and results of confiscation proceedings.

As discussed in previous annual reports and detailed on the Commission's website, the Commission believes that using the estimated value of interests in property which are subject to restraining orders or, alternatively, the nominal value of confiscation orders to assess results of confiscation proceedings is problematic. Both figures can overestimate the amount that could be paid to the State and result in an inflated impression of the Commission's success in this area. The difference in the estimates is highlighted below.

Table 19

	2011–12	2012–13	2013–14
Estimated value of property subject of proceedings	\$53 million	\$32.5 million	\$44.6 million
Estimated value of realisable confiscation orders	\$14,488,267	\$19,541,008	\$28,297,732

The estimated realisable value is based on a range of factors depending on the type of confiscation order sought and the nature of the interest in the property.

In the case of an asset forfeiture order ('AFO') in respect of money, the estimated realisable value is usually the same as the amount of money. In the case of interests in property that are forfeited and then have to be sold (with the proceeds then going to the Treasury), the estimate is less certain. The asset is taken into the control of the NSW Trustee and Guardian for disposal (e.g. by auction), and not only is an estimate less likely to be accurate, but the delay between the making of the estimate and the disposal of the asset can affect the accuracy of the estimate.

In PAOs and UWOs, the first component is the amount specified in the Court's orders. If the defendant is estimated to have sufficient property interests that are liquid or can be liquidated, then the estimate equals the Court's order, and it is likely that the amount will be realised. If it does not appear that the defendant has sufficient property interests to cover the debt, then the Commission's estimate of the realisable value of the order is its estimate of the realisable value of the available property interests: the estimate is necessarily somewhat less certain than in the type of case mentioned previously.

On occasion, confiscation orders are made but not recorded as realisable despite the fact that the defendant may have been deprived of value. This occurred in the reporting period and is discussed in the case studies below.

## Exclusion orders

When the Commission resolves confiscation proceedings by consent, the terms of settlement usually include a term that the defendant will not challenge the making of the confiscation order. In some cases, the defendant will consent to the making of the order but will preserve his or her right to make an application for relief from the effect of the confiscation order.

This most commonly occurs when the Commission has applied for an AFO and the defendant has been convicted of a SCRA. In such cases, the making of an AFO cannot be defended, but the defendant may consider that they can prove that some, or all, of the forfeited interest in property was acquired from legitimate sources. In such circumstances, the defendant may consent to the making of the order but retain their statutory right to seek to have some or all of the forfeited interest in property excluded from the order on the grounds that the interest was not illegally acquired.

During the reporting period there were two such matters. In one case, the defendant consented to an AFO in respect of an unencumbered residential property with an estimated value of \$600,000. Since the end of the reporting period, the defendant has filed an exclusion application. The AFO is recorded above as a realisable confiscation order, but it is possible that an exclusion application may be successful.

### **Summary judgements and appeals**

In matters where all avenues to try to settle the proceedings have been unsuccessful, but the defendant has been convicted of a sufficiently serious offence, the Commission usually makes an application for summary judgement on its claim for a confiscation order. This generally occurs in matters where the Commission sought a PAO at the commencement of proceedings. In such cases, the Commission seeks leave to amend its summons to seek an AFO as well as the PAO and, on proof of a SCRA, will obtain both orders. The Commission will also request that the quantum of the PAO be assessed at a later date.

By employing this strategy, the Commission only incurs the cost of the summary judgement application (which simply requires proof of the SCRA in respect of which the defendant has already been convicted) and, depending on whether the defendant files an application for exclusion, may not need to go to the considerable expense of quantifying the PAO. If the defendant files an exclusion application, the Commission generally seeks to have the exclusion application heard at the same time as quantifying the PAO.

This strategy does have an impact on reported confiscation outcomes. In these matters, at the time the orders are made, the Commission reports on the estimated realisable value of the forfeited interests in property. Whether or not this will be the final outcome of the matter will depend on such contingencies as whether the defendant makes an exclusion application, the degree of success the defendant has in that application, and the amount that is finally quantified as a proceeds assessment matters.

In the reporting period, there were two such matters:

- estimated realisable value of the forfeited interests in property is \$226,749 – the defendant has fled the jurisdiction and is unlikely to return; and
- estimated realisable value of the interests in property in this matter are \$1,180,639 – the defendant has made an exclusion application and is seeking to challenge the making of the AFO and PAO. The Commission has also obtained a PAO and is seeking to have it quantified.

In both of these cases, and the other matter referred to above, the estimated realisable value is included in the tables recording the estimated realisable value of orders obtained during the reporting period.

## Living and legal expenses

The CAR Act makes allowances for applications for reasonable living and legal expenses. People whose interests in property are restrained can make an application to the Court for an order varying the restraining order to allow for reasonable living expenses (of the defendant or his or her dependents) and/or reasonable legal expenses (of confiscation or criminal proceedings) to be met.

Applications pursuant to subs. 10B (3) were made and determined as follows:

**Table 20**

<b>Result type</b>	<b>Living expenses</b>	<b>Legal expenses</b>
Orders made by consent*	1	39
Application for order dismissed by consent	0	0
Application for order granted after contested hearing	0	0
Application for order dismissed after contested hearing	1	0
<b>Total</b>	<b>2</b>	<b>39</b>

\* 31 of these orders were made by consent as part of the finalisation of the confiscation proceedings by negotiated settlement.

## Costs

A consequence of the Commission's resolving almost all proceedings by negotiated settlement is that it is rare that an order is made that the Commission pay the defendant's costs for the proceedings or that the defendant pay the Commission's costs for the proceedings. The Commission was not ordered to pay a defendant's costs during the reporting period.

Within proceedings, the Commission will often defend applications made under s. 10C of the CAR Act, or for living expenses or legal expenses. Although an order for the payment of costs may be made in such matters, it is often the case that whether or not the amount is actually paid will depend on the outcome of the substantive proceedings.

The Commission employs lawyers and paralegals who work principally on confiscation litigation. Those legal staff draft legal documentation and appear for the Commission to make most applications for restraining orders and consent orders. In more complex cases, the Commission will occasionally brief counsel to make applications for restraining and consent orders. During the reporting period, counsel were briefed to conduct examinations of defendants, and to appear for the Commission when matters were taken to final hearing, or when applications for release of living expenses or reasonable legal expenses were defended by the Commission.

The following table reports issues relating to legal costs:

**Table 21**

Number of costs orders in favour of the Commission	8
Estimated realisable value of those costs orders	\$120,000
Number of costs orders in favour of the defendant	0
Amount paid in respect of that costs order	N/A
Total cost of briefing outside counsel in the reporting period	\$76,475
Total cost of briefing outside counsel as percentage of realisable orders <sup>†</sup>	0.29%

<sup>†</sup> The Commission bears the full cost of counsel fees. The full amount realised from confiscation orders goes to the Treasury. This figure, being the costs incurred in briefing outside counsel in proceedings that had been commenced as a percentage of the total estimated realised value of all confiscation orders, is less than a quarter of the figure for the last reporting period (which was 1.21%).

The above table shows that the estimated realisable value of the costs orders that were made as \$120,000. However, this requires the following further comments:

1. One of the costs orders, in the amount of \$10,000, was made by consent when the defendant agreed to settle the matter on the first day of a contested hearing. This amount is considered to be the only amount that is realisable at this time.
2. The other 7 costs orders were made as a result of a contested hearing.
3. Two of these costs orders are considered not to be recoverable as the defendant was left with no assets when the proceedings were finalised. As they are not considered realisable, no amount is included in the total of \$120,000.
4. The five other costs orders are not considered realisable at this time as the costs have not been assessed and the proceedings in which they were made are continuing to be litigated in some way; the figure is simply a conservative estimate of the amount that would be likely to be assessed.

## Comparisons with previous two years

The following table sets out figures for the reporting period and the previous two years in respect of several key measures:

**Table 22**

Measure	2011–12	2012–13	2013–14
CAR Act restraining orders	82	61	81
<i>Confiscation of Proceeds of Crime Act 1989</i> restraining orders	0	0	0
Total no. of restraining orders	82	61	81
Confiscation orders sought without a restraining order	15	16	12
AFOs made	27	36	41
Est'd realisable value of AFOs	6,460,109	12,597,308	17,310,232

Measure	2011–12	2012–13	2013–14
PAOs made*	40	36	42
Est'd realisable value of PAOs	7,873,963	5,565,700	7,762,500
UWOs made	2	3	5
Est'd realisable value of UWOs	154,195	1,250,000	1,225,000
Orders for breach of warranty ('BOWs')	0	3	1
Est'd realisable value of BOWs	0	128,000	2,000,000
Total no. of confiscation orders*	69	78	89
Total est'd realisable value of confiscation orders	14,488,267	19,541,008	28,297,732
Production orders (CAR Act)	20	3	0
Search warrants (CAR Act)	39	25	33
Monitoring orders (CAR Act)	0	0	0

\* 3 PAOs were made in which the amount of each order has yet to be assessed. These orders are included in the figures for PAOs and total number of confiscation orders reported in the two tables above.

## Sharing with other jurisdictions

NSW is able to share the proceeds of confiscation proceedings with other jurisdictions. This occurs in situations where confiscation proceedings under the CAR Act arise from a joint investigation involving the Commission and law enforcement agencies of another jurisdiction.

To facilitate the sharing of proceeds with other jurisdictions, the Commission makes a recommendation to the Minister for Police and Emergency Services as to the matters and the proportions of the recovered amounts that should be shared. In the event that the Minister agrees with the recommendation, the Minister makes the recommendation to the Treasurer. If the Treasurer agrees, he issues a Direction that the amount be shared.

Since the sharing arrangements commenced in April 2009, the Treasurer has approved the payment of approximately \$2.4 million to the Commonwealth pursuant to the Direction. No amounts have been paid to other jurisdictions. The Commission has recommended that other amounts be shared with the Commonwealth and is awaiting the decision of the Treasurer.

NSW has not received a payment as a result of sharing arrangements since the 2009 reporting period.

## FID case studies

### *Electricity theft*

In August 2011, the NSW Police executed a search warrant on a western Sydney premises. During the search, the NSW Police located a hidden room that appeared to be set up for the hydroponic cultivation of cannabis; however the search failed to locate any cannabis. Examination of the electricity supply to the premises indicated that it had been connected in such a way that it bypassed the electricity meter. As a result, the NSW Police charged a

person ('the defendant') with stealing electricity. The defendant was convicted of this offence and was sentenced to a community service order. Stealing electricity is a theft offence with a potential penalty of five years imprisonment, satisfying the CAR Act's definition of an SCRA.

In 2013, the FID began a detailed analysis of the defendant's financial arrangements due to the suspicion that the defendant had been involved in cannabis cultivation. This analysis showed that the defendant declared a small income to the ATO, but that this income was inconsistent with the deposits into his bank accounts over the previous ten years, particularly the deposits into his home loan (which related to the premises containing the hydroponics set up). Examination of the defendant's home loan showed that, in addition to servicing the interest, he had been able to reduce the principal by \$170,000 by making regular cash deposits of less than \$5,000 and periodic payments of larger amounts. Given the disparity between the defendant's declared income and the income shown in his bank deposits, and the suspicion that the defendant had been involved in growing cannabis, the Commission suspected that the cash deposits may have been the proceeds of the sale of cannabis.

In October 2013, the Commission commenced proceedings against the defendant by way of a summons seeking an UWO and an all interests restraining order. At the time the Commission began proceedings, the defendant's identified interests in property included his residence (with approximately \$310,000 in equity) and a motor vehicle of negligible value.

At the same time the Commission sought the restraining order, the Commission also sought and obtained a property-tracking warrant under the CAR Act to enable the Commission to search the defendant's premises for property-tracking documents. This search resulted in the discovery and seizure of \$500,000 in cash. The defendant settled the proceedings in November 2013 and agreed to pay a PAO of \$800,000.

### ***Confiscation not realised***

During the reporting period, the Commission obtained confiscation orders against two defendants, who were husband and wife, with an estimated realisable value of \$1,913,493. The husband ('the NSW defendant') was facing serious drug and money laundering charges, and forfeited his interest in \$540,000 cash that had been seized by Western Australian Police from a storage unit in Perth that was held in the name of a co-accused ('the WA defendant').

By the time the CAR Act proceedings were finalised, the WA defendant had consented to the forfeiture of his interest in the seized cash pursuant to an order made under Western Australian confiscation legislation. The evidence suggested that the NSW defendant had a beneficial interest in the cash found in Western Australia, while the WA defendant had a possessory interest in the money. However, as the money was found in Western Australia and confiscated under a Western Australian confiscation order, it was not recorded as a realisable confiscation order made in the NSW proceedings.

## **THE LEGAL CONTEXT**

As discussed above, the Commission has responsibility for administering both the Commission Act and the CAR Act.

### **Legislative changes impacting on the Commission**

There have been legislative changes during the reporting period that have impacted, to varying degrees, on the work of the Commission.

#### ***Crime Commission Act 2012***

In November 2013, the Commission Act was amended to expand the functions of the Commission to allow the Commission to investigate matters relating to the criminal activities of criminal groups (without the need to refer to specific offences or individuals). Other associated changes were made to the Act. This included enabling the Management Committee to make task force arrangements to assist the Commission in carrying out investigations in such matters.

#### ***Criminal Assets Recovery Act 1990***

In September 2013, subs. 62 (4) of the CAR Act came into force. This section provides that a confiscation order may only be made by consent if the Commissioner certifies that the Commission has fully complied with any Management Committee Guidelines with respect to the negotiation of terms of agreement regarding the making of consent orders. The Management Committee approved such guidelines on 5 February 2013.

In May 2014, the CAR Act was amended in certain respects. This included amendments:

- a) to clarify that proceeds of an activity can include, without limitation, an increase in the value of an interest in property resulting from the activity; and
- b) to provide for proceeds of an activity by another person if the person engaged in the activity intended for the other person, or knew, or ought reasonably to have known, that the other person would be likely to derive or realise (whether directly or indirectly) an interest, service, advantage or benefit.

#### ***Bail Act 2013***

In May 2014, the *Bail Act 2013* commenced. This Act is intended to simplify bail laws, and introduces a new process for determining bail, being the unacceptable risk test.

#### ***Surveillance Devices Act 2007 and Surveillance Devices Regulation 2014***

In November 2013, certain provisions of the SD Act were amended to bring it into line with the model laws on cross-border investigative powers. This included:

- a) a requirement for a timeframe to be specified in surveillance device warrants, and retrieval warrants for reporting back on the use of such warrants;
- b) amending reporting requirements relevant to the use of surveillance devices in participating jurisdictions; and
- c) removing the capacity for an emergency authorisation to be used in participating jurisdictions in connection with a serious narcotics offence.

In April 2014, the *Surveillance Devices Regulation 2014* declared surveillance device laws enacted in the Northern Territory, Queensland, Tasmania, and Victoria to be corresponding laws for the purpose of the *Surveillance Devices Act 2007*.

### ***Firearms Act 1996***

In November 2013, various amendments were made to the *Firearms Act 1996* ('the Firearms Act'). The Firearms Act was amended to provide NSW Police with additional search powers in relation to firearms prohibition orders. It was also amended to create a new offence of giving possession of a firearm or firearm part to a person not authorised to possess it, and to modify existing offences in relation to the sale of firearms, firearm parts and ammunition so that those offences apply to the 'supply' of those things (a term comprehensively defined in the Firearms Act).

### ***Law Enforcement and National Security (Assumed Identities) Act 2010***

In August 2013, various changes were made to the LENSAI Act. A key change for the Commission was to enable the Commissioner to delegate functions under the LENSAI Act to an Assistant Commissioner. In addition, the LENSAI Act was amended to require that applications for additions to, or deletions from, the NSW Births, Deaths, and Marriages Register of an assumed identity be heard in chambers rather than in open court.

### ***Telecommunications (Interception and Access) (New South Wales) Act 1987***

In October 2013, the TIA (NSW) Act was amended to:

- a) exclude 'copies' from the definition of restricted record, for consistency with the definition of that term in the TIA Act; and
- b) to remove the requirement for revocation instruments relating to telecommunications warrants to be kept in the records of an eligible authority.

### ***Government Sector Employment Act 2013***

The *Government Sector Employment Act 2013* ('the GSE Act') commenced in February 2014. The Regulation and Rules corresponding to the GSE Act also commenced at that time. The GSE Act replaces the *Public Sector Employment and Management Act 2002*. The GSE Act establishes the government sector, part of which is the Public Service. The Public Service comprises Departments, Public Service executive agencies related to Departments and separate Public Service agencies. The staff of the Commission are now part of the Public Service, employed by the NSW Crime Commission Staff Agency (a separate Public Service agency). Under the GSE Act, Public Service employees are classified as either senior executives or non-executive employees. The GSE Act engages non-executive employees in a classification of work, rather than in a set position, and assigns those employees to a role within that classification or band. There are also changes under the GSE Act to areas such as recruitment and promotion, as well as a separation of the management of unsatisfactory performance and misconduct.

## **Significant judicial cases impacting on the Commission**

### ***Lee & Anor v New South Wales Crime Commission [2013] HCA 39***

As foreshadowed in the Commission's last Annual Report, the High Court of Australia handed down its decision in *Lee & Anor v New South Wales Crime Commission* during the reporting period.

The High Court granted the appellants (Jason Lee and Seong Lee) special leave to appeal from a New South Wales Court of Appeal ('Court of Appeal') judgement delivered on 6 September 2012 (see *New South Wales Crime Commission v Jason Lee & Anor* [2012] NSWCA 276). The case related to whether the CAR Act authorised the compulsory examination of persons where the subject matter of that examination could touch upon the subject matter of pending criminal charges, and thus whether CAR Act examinations could be conducted despite the possibility of interference with the criminal justice system. The Court of Appeal overturned the decision of the judge at first instance and, in September 2012, held that the CAR Act authorised such examinations. The Court of Appeal made orders for the examination of Jason Lee and Seong Lee pursuant to s. 31D of the CAR Act.

In May 2013, the High Court heard the appeal in respect of the Court of Appeal's orders and delivered its judgement on 9 October 2013. The High Court dismissed the appeal with costs. The majority noted that there was an important distinction between examinations conducted under the CAR Act and examinations conducted, for example, under the *Australian Crime Commission Act 2002*. The High Court stated that the discretion of a judicial officer to control and supervise CAR Act examinations limited any potential prejudice to the examinee (see French CJ at [25]). The High Court also held that the CAR Act authorises compulsory examination of persons facing criminal charges about the subject matter of charged offences.

### ***Lee v The Queen; Lee v The Queen [2014] HCA 20***

*Lee v The Queen; Lee v The Queen* ('Lee's Case') is one of a series of cases involving the use of coercive hearings in criminal investigations over the past few years. The Commission has reported on a number of these matters in previous annual reports.

Both appellants appeared at the Commission in response to a summons and gave evidence in hearings in late 2009. The first appellant had not been charged at the time of his hearing, but the second appellant was facing firearms charges. The Commission made a non-publication direction pursuant to subs. 13 (9) of the *New South Wales Crime Commission Act 1985* (now repealed) in respect of the first appellant's hearing, but did not do so during the second appellant's hearing. The High Court proceeded on the basis that the non-publication direction applied to both hearings.

In May 2010, NSW Police charged both appellants with serious drug offences. In July 2010, the DPP requested copies of the appellants' hearing transcripts via the NSW Police officer in charge of the matter. The Commission authorised the provision of the transcripts to the DPP, which later occurred.

During the prosecution, the Crown Prosecutor advised the District Court of NSW that he had read the transcripts of the evidence given at the Commission and had 'some idea' of the case the appellants might run. The Crown Prosecutor acknowledged that the hearing transcripts were inadmissible. The appellants were convicted of serious drug offences in May 2011 and unsuccessfully appealed their convictions in the Court of Criminal Appeal (*Lee v The Queen* [2013] NSWCCA 68).

On a grant of special leave to the High Court, the appellants sought, *inter alia*, that their convictions be quashed arguing that a miscarriage of justice had occurred. The High Court stated that the purpose of the non-publication direction was to protect the fair trial of a person who *might* be charged. Referring to its decision in *X7 v Australian Crime Commission* (2013) 248 CLR 92, the High Court stated, 'It is a breach of the principle of the common law,

and a departure in a fundamental respect from a criminal trial which the system of criminal justice requires an accused person to have, for the prosecution to be armed with the evidence of an accused person obtained under compulsion concerning matters the subject of the charges.’ The High Court found that the disclosure of the hearing transcripts to the DPP in this case was not permitted by the *New South Wales Crime Commission Act*, that the prosecution’s possession of the transcripts was a breach of the common law, and that the possession had altered the trial in a fundamental respect. The High Court quashed the appellants’ convictions and ordered a new trial.

### ***SD v New South Wales Crime Commission [2013] NSWCA 48***

In *SD v NSW Crime Commission* [2013] NSWCA 48, the Court of Appeal held, *inter alia*, that the absence of a direction prohibiting publication to NSW Police or the DPP of evidence given at the Commission was not a reasonable excuse to refuse to answer questions. SD applied for special leave to appeal to the High Court.

On 6 September 2013, the High Court refused the application for special leave with costs. The High Court noted that there were ‘insufficient prospects’ that the decision of the Court of Appeal would be set aside if they were to grant special leave to appeal.

### ***Vu v New South Wales Crime Commission [2013] NSWCA 282***

In July 2013, Vu appealed against orders made by Johnson J in *New South Wales Crime Commission v Vu* [2012] NSWSC 129. The orders required Vu to pay a PAO of \$922,738 pursuant to ss. 27 and 28 (3) of the CAR Act, plus the Commission’s costs.

The basis of Vu’s appeal was that Johnson J erred in finding, on the balance of probabilities, that Vu had committed a serious crime related activity within the meaning of s. 6 of the CAR Act, namely obtaining money etc. by false or misleading statements under s. 178BB of the *Crimes Act* (which was in force at the time). Noting that it was essential to bear in mind that, in discharging the rehearing function under s. 75A of the *Supreme Court Act 1970*, the Court of Appeal had neither seen nor heard the witnesses and should accordingly make allowances for the trial judge’s advantage in this respect, in August 2013 the Court of Appeal dismissed the appeal, finding there was no error in Johnson J’s reasons to warrant the setting aside of his Honour’s orders made 29 February 2013. As such, the Court of Appeal dismissed the appeal.

### ***New South Wales Crime Commission v Cassar (No 2) [2013] NSWSC 1011***

The *Commission v Cassar (No 2)* is significant as it was the first contested hearing of a forfeiture order made under s. 31A of the CAR Act. Section 31A deals with evidence, warranties or other representations made by a person against whom an order is made in respect of their interests in property. Section 31A comes into effect in the event that the Commission identifies interests in property held by the person at the time they made the representation or warranty, but which the person did not disclose. Once the Commission identifies the undisclosed interests in property, the Commission can apply to the Court for an order that that interest in property be forfeited to, and vested in, the Crown.

The Commission settled confiscation proceedings against Cassar in April 2008. At that time, consent orders were entered in the Court which noted a warranty given by Cassar to the Commission as to his interests in property. Those interests were his interests in real property, a motor vehicle, and a sum of seized cash.

In 2010, the Commission became aware that at the time of the settlement Cassar had, and continued to have, significant assets beyond those disclosed in his warranty, namely over \$2 million held in Swiss bank accounts. The Commission applied to the Court for an order under s. 31A of the CAR Act for forfeiture of Cassar's interest in the Swiss bank account.

Cassar opposed the order on the grounds that the warranty contained in the consent orders had been signed on his behalf by his solicitor rather than by Cassar personally. The Commission contended that it did not matter that Cassar's solicitor had signed the consent orders, as the solicitor had the authority to settle the confiscation proceedings which involved giving a warranty on Cassar's behalf as to his interests in property.

Rothman J heard the Commission's application in May 2013 and in July 2013 made orders pursuant to s. 31A of the CAR Act that Cassar's interest in the funds in the identified Swiss bank accounts be forfeited to, and vested in, the Crown. The Court of Appeal heard Cassar's appeal against this order in July 2014 and the Commission is awaiting the decision of the Court.

### **Challenges to Commission determinations**

Under subs. 33 (3) of the Commission Act, a person who is dissatisfied by a determination by the Commission that he or she (or it, in the case of a corporation) must produce a document or thing, or answer a question at a hearing, can to apply to the Court for a review of the determination. The Commission is not aware of any challenges to its determinations during the reporting period.

## RECOMMENDATION FOR LEGISLATIVE CHANGE

Pursuant to subs. 82 (1) (c) of the Crime Commission Act 2012, the Commission's Annual Report must include any recommendations for changes in the laws of the State, or for administrative action, that, as a result of the exercise of its functions, the Commission considers should be made. The principal recommendation by the Commission pursuant to that paragraph is to repeal it. Recommendations for legislative change are confidential issues between the Commission and the Government. They may also affect operational activities where it is necessary to identify deficiencies in the Act or other legislation that reduce the effectiveness of the Commission.

The Commission participated in the Organised Crime Working Group throughout the reporting period and made a number of proposals concerning legislative change. In addition, the Commission communicated with the Government in relation to the correction of what appear to be drafting issues arising from the introduction of the Commission Act. It is inappropriate to report further on the details of these proposals.

The Commission money laundering investigations to date (as discussed [above](#)) have indicated that NSW legislation does not adequately address the issues raised by the proliferation of professional money launderers. The Commission recommends that the *Crimes Act 1900* and other Acts be amended to better reflect the growing professionalisation of persons involved in money laundering, and to deal with cases in which there is no direct evidence of the source of the funds but where the nature of the transaction indicates that there been efforts to hide the origin of the money.

## **MANAGEMENT OF THE COMMISSION**

### **Organisational structure**

The Commission reformed its organisational structure during the reporting period following the receipt of a report prepared by an independent management consultant. The principal recommendations of the report were to abolish the Commission's Special Activities Division and create a CSD. The Commission has implemented these recommendations.

The Director (Corporate Services) leads the CSD. The Finance, ICT, Operations Support, and Records Management Teams now report directly to the Director (Corporate Services) who in turn reports to the Assistant Commissioner with special legal qualifications.

Following the abolition of the Special Activities Division, the Legal Unit now reports directly to the Assistant Commissioner with special legal qualifications.

During the reporting period, the Commission conducted a review of its management of its electronic surveillance function. As a result, the Commission amalgamated its Electronic Surveillance Monitoring Teams and transferred them from the CSD to the CID. The Electronic Surveillance Monitoring Team reports directly to the Assistant Director (Special Investigations).

A chart indicating the Commission's organisation structure as at 30 June 2014 can be found at [Appendix E](#).

### **Management Team**

Although the Commissioner and Assistant Commissioners were responsible for the management of the Commission, in practice the general management of the Commission was undertaken by the Commission's Management Team. During the reporting period, the Management Team consisted of Mr Hastings, Mr Singleton, Mr Inkster, the Director (Criminal Investigations), the Director (Financial Investigations), the Operations Support Manager (until 4 February 2015), and the Director (Corporate Services) (from 5 February 2014). The Management Team met fortnightly throughout the year.

### **Commission personnel**

Under the Commission Act, a significant number of officers and members of other law enforcement agencies (most numerous, officers of the NSW Police) were made members of the staff of the Commission in order to facilitate effective investigations. A smaller number of people are employed to enable the Commission to discharge its functions. These persons are remunerated from the Commission's budget and are considered to be employees of the Commission. Following the introduction of the GSE Act, the Commission's employees are now part of the Public Service, employed by the NSW Crime Commission Staff Agency (a separate Public Service agency).

As at 30 June 2014, the NSW Crime Commission Staff Agency employed 141 staff members. As at the last pay fortnight in 2013–2014, adjusting to take into account part-time working arrangements, the Commission had 131.96 full-time equivalent permanent employees, four of whom were on parental leave.

The Commission has three statutory officers, being the Commissioner and the Assistant Commissioners. In its special determination dated 11 July 2014, which was effective from

1 October 2013, the Statutory and Other Offices Remuneration Tribunal set the remuneration of the Commissioner at \$452,730 per annum on a salary packaging basis, and of each of the Assistant Commissioners at \$410,365 per annum.

The Commission does not employ anyone who is a member of the State's Senior Executive Service.

Personnel numbers as at 30 June 2014, and as at 30 June in the three preceding years, were as follows:

**Table 23**

<b>Personnel category</b>	<b>2010–11</b>	<b>2011–12</b>	<b>2012–13</b>	<b>2013–14</b>
Statutory officers	2	1	3	3
Senior Executive Service	0	0	0	0
PSE&M Act, ch. 2	4	3	3	N/A
PSE&M Act, ch. 1A (permanent)	99	104	139	N/A
PSE&M Act, ch. 1 (casual)	34	29	0	N/A
GSE Act (permanent)	N/A	N/A	N/A	139
GSE Act (casual)	N/A	N/A	N/A	2
<b>Total</b>	<b>139</b>	<b>137</b>	<b>145</b>	<b>144</b>

The majority of the personnel of the Commission mainly or exclusively performed operational tasks. Examples included intelligence analysts, intelligence managers, forensic accountants, financial analysts, telecommunications interception administrators, electronic surveillance officers, staff of the Technical Deployments Team, information and communication technology ('ICT') team, staff working on specialist investigative systems, and those involved in human source management.

Some personnel had a more even division of operational and managerial responsibilities (e.g., the Commissioner and Assistant Commissioners, each of the Directors, and those staff members who prepare transcripts while also performing administrative and support roles).

Other staff were mainly or exclusively involved in administrative roles (e.g., the Director (Corporate Services), the Operations Support Manager, the staff of the Finance and Records Management Teams, those ICT staff who provided corporate ICT support services, and the staff of the Governance Unit). The classification of employees between the four areas must be approximate, but was as follows:

**Table 24**

<b>Personnel Category</b>	<b>Number</b>	<b>FTE</b>	<b>Percentage</b>
Exclusively or mainly operational	108	97.61	75
Both managerial and operational	7	6.6	4.9
Exclusively or mainly administrative	23	21.71	16
Governance Unit	6	6	4.1

### **Workforce Diversity and Multicultural Policies and Services Plan**

In line with the NSW Public Sector, the Commission is committed to the development of a culture that is supportive of workforce diversity principles and has developed strategies to enhance employment equity.

The Commission has in place an Equal Employment Opportunity Management Plan 2013–2017 ('EEO Plan'), which has been prepared in accordance with Part 9A of the *Anti-Discrimination Act 1977*. The EEO Plan aims to facilitate the identification and removal of systemic barriers to the participation and promotion in employment of workforce diversity groups.

The Commission continues to work with the Public Service Commission to develop strategies to enhance employment equity.

The following table contains the Commission's workforce diversity statistics, based on full-time and part-time Commission personnel (excluding casual staff) for the period 2011 to 2014. Comparative data from past years can be found in the Commission's previous annual reports.

**Table 25**

<b>Trends in the Representation of Workforce Diversity Groups</b>			From Workforce Profile reports			
<b>Workforce diversity group</b>	<b>Benchmark or target</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	
Women	60%	38%	58%	58%	56%	
Aboriginal people & Torres Strait Islanders	2.6%	0%	0%	0%	0%	
People whose first language was not English	19%	15%	21%	26%	25%	
People with a disability	1.5%	4%	4%	5%	3%	
People with a disability requiring work-related adjustment	1.5%	0%	0%	0%	0%	

Note: Where indicated, the information in the table was provided by the Workforce Information Section, Public Service Commission.

The Commission employs a number of persons whose first language is not English, who are multilingual and/or are from ethnically diverse backgrounds. In addition, the Commission employs a number of specialist linguists and has a multilingual skills directory on its Intranet.

The Commission participates in the Community Language Allowance Scheme ('the CLAS'). Thirty-seven staff members, or over 25% of the Commission staff, either receive a CLAS allowance or are employed for their specialist language skills. Between them, those staff members speak 21 different languages in addition to English.

The Commission continues to promote the Government's Principles of Multiculturalism and is committed to their implementation within its workplace and operational activities in accordance with the principles set out in the *Community Relations Commission and Principles of Multiculturalism Act 2000*.

The Commission does not have high levels of interaction with members of the public and, as a result, the Commission's Multicultural Policies and Services Plan is aimed at ensuring cultural diversity within the Commission through employment strategies.

The Commission assesses its anticipated linguistic and multicultural needs and uses this assessment to target recruitment for particular roles. The Commission carries out this linguistic and cultural analysis on a regular basis to ensure that the Commission has staff with sufficient knowledge of particular language groups and cultural backgrounds to assist the Commission to carry out its functions.

During the reporting period, the Commission conducted training on the impact of discrimination, including deliberate and inadvertent racism. The Commission intends to provide such training to staff on an annual basis. In addition, the Commission plans to provide cultural awareness training for its staff, as and when the need for such training arises.

### ***Work health and safety***

During the last reporting period, the Commission commenced a substantive review of its work health and safety ('WH&S') policy and procedures. This process is on-going and forms part of the Commission's commitment to continuous improvement in this area.

Following the development and implementation of the revised policy and procedures, the Commission provided executive and non-executive staff with education sessions around WH&S.

In accordance with the WH&S Policy and Procedures, Commission staff elect health and safety representatives. The Commission has a work health and safety ('WH&S') consultative group. The consultative group meets on a regular basis to discuss WH&S issues that have arisen. The consultative group also provides advice to members of staff about the outcome of WH&S issues that have been raised previously.

The Commission has created a dedicated WH&S email group to enable workers to notify the Commission of issues simply and quickly.

The Commission conducts WH&S inspections on a quarterly basis and takes steps to address any identified WH&S issues.

The NSW Government has identified bullying and harassment as a significant WH&S risk in the public sector. In an effort to inform staff about the impacts of bullying, harassment and discrimination, the Commission developed and implemented a Bullying, Harassment and Discrimination Policy and Procedures. The Commission implemented the policy in February 2014 and provided all staff with training regarding the impacts of bullying and harassment and ways to address them. At the same time, the Commission implemented a Work Related Grievance Handling Policy and Procedure in an effort to assist staff in dealing with issues that do not amount to bullying, harassment or discrimination, but which may have an adverse impact on them.

The Commission is committed to addressing WH&S issues in a proactive fashion. In response to an identified need among staff, the Commission provided resilience training to assist staff to deal with some of the stresses associated with investigating serious and/or organised crime. The Commission also engaged the services of an employee assistance provider to make it easier for staff to access any assistance that they may need.

During 2013–2014, there were a total of five injuries reported, two of which resulted in a claim for workers compensation. No time was lost in relation to these two claims.

A workers compensation claim, which commenced in 2012, was finalised in October 2013, with 1.5 days lost during 2013.

No prosecutions were conducted under the *Work Health and Safety Act 2011* or *Work Health and Safety Regulation 2011*.

## **Corporate projects**

The Commission undertook a number of projects during the reporting period. Some of the more notable projects included the following:

### ***Information and communications technology***

During the reporting period, the ICT Team delivered a number of major ICT initiatives. These included:

- supporting the integration and implementation of an analytical software system;
- supporting the development and roll-out of a new intranet and SharePoint environments; and
- assisting the Commission to meet the NSW Government's Digital Information Security Policy (the Commission's Digital Information Security Policy Attestation can be found at [Appendix F](#)).

The ICT Team also began a number of significant projects. These included:

- developing a draft ICT Strategy;
- developing a high-level ICT Blueprint;
- developing and implementing an ICT Program and Schedule of Works;
- implementing a Data Centre Back-up project; and
- making an initial assessment of a potential Data Centre Migration project for the Commission.

In addition to these projects and continuing the ICT Team's core business of maintaining the Commission's operating systems, the ICT Team began and delivered a number of smaller projects designed to support and meet the Commission's ongoing ICT needs.

The ICT Team is assessing a number of projects to be implemented over the next two years. These projects are aimed at delivering significant technological improvements to the Commission and providing capacity for efficiency gains.

### ***Records management***

The Commission's Records Management Team ('RMT') is involved in a number of projects to improve the effectiveness and efficiency of the records management functions of the Commission. These projects will see the implementation of a Commission-wide electronic documents records management system ('EDRMS') and related ICT systems to support the digitisation of records management and the associated efficiencies and improvements. The Commission selected the new EDRMS based on its capacity to facilitate the capture of a wider range of records in a variety of formats.

During the reporting period, the RMT reviewed statutory and operational requirements for records and information management. Based on this review, the Commission has started work on a revised Records and Information Strategy and implemented a range of initiatives to improve the RMT's capacity to support the Commission. This included a major archiving project designed to increase the Commission's on-site storage capacity. As part of this project, the Commission archived a substantial number of records, returned records to external sources (where appropriate), and updated records in preparation for the implementation of the new EDRMS.

The Commission anticipates that the new systems and the projects undertaken by the RMT during the reporting period will improve the Commission's record-keeping functionality.

## **Governance**

During the reporting period the Commission's Governance Unit continued work begun during the previous period. This work started as a result of a number of enquiries into the activities of the Commission including, most significantly, the 2011 Report of the Special Commission of Inquiry into the NSW Crime Commission ('the Patten Report').

The Governance Unit reached its full complement of staff during the reporting period. This included the recruitment of a specialist policy development officer and a business analyst. As a result, the Governance Unit was able to make considerable progress during the year.

The key achievements during the reporting period included:

- reviewing and monitoring the Commission's response to external enquiries, such as the Patten Report, to ensure the Commission had completed any necessary changes to governance arrangements;
- managing the Commission's internal audit program;
- reporting to the Commission's Internal Audit and Risk Committee ('IARC') about audits undertaken by and on behalf of the Commission;
- developing a Corporate Governance Framework, a Legislative Compliance Framework, and a Performance Development Framework;
- developing and rolling out a new Code of Conduct;
- monitoring staff declarations of compliance with the new Code of Conduct;
- undertaking a Staff Fraud and Corruption Awareness Survey;
- revising the Commission's Fraud and Corruption Control Plan;
- revising the Commission's Risk Management Policy and Procedures;
- jointly managing, with the ICT, the development and implementation of a new intranet for the Commission;
- engaging a new Employee Assistance Program provider;
- reviewing, revising and developing operational and corporate policies and procedures;
- facilitating the review of role descriptions in light of the GSE Act and the requirements for compliance with the public service's capability framework;
- developing a program for staff to update financial interest declarations;
- reviewing selected business processes to identify areas of improvement; and
- providing support to the Director (Corporate Services).

In addition to the above, the Governance Unit has also assisted in the development of the Commission's new Corporate and Divisional Plans. These plans will underpin individual performance management plans to be rolled out in the next reporting period.

The Governance Unit assisted the CSD to arrange training across a number of areas, including corporate services, human resources, stress management, bullying and harassment, and operational matters.

The work undertaken during the reporting period has laid the foundation for further work in 2014–2015 as the Governance Unit continues to strengthen the Commission's approach to governance, risk management, and internal controls.

### ***Policy review***

As mentioned in previous Commission reports, the Commission has been undertaking a review of its operational and corporate policies and procedures. During the reporting period, the Commission made significant progress in this respect. The Commission developed and/or revised a number of corporate policies and procedures in the following areas during the year:

- internal and external complaints;
- work health and safety, including bullying, harassment, and discrimination;
- information security;
- media, publications and speaking engagements;
- performance development;
- alcohol and other drugs; and
- salary packaging.

Shortly after the end of the reporting period, the Commission issued a number of additional policies and procedures, including policies addressing:

- workplace surveillance;
- conflicts of interest;
- secondary employment;
- procurement; and
- gifts and benefits.

A number of these policies are linked to the Commission's revised Code of Conduct.

The Commission is developing a full package of human resources policies, procedures, and associated documentation, based on the human resources 'hire to retire' lifecycle. The Commission anticipates that the majority of this work will be complete within the next two years.

In addition to expanding its suite of corporate policies and procedures, the Commission continues to review and develop operational manuals and procedures in response to changes in legislation, case law and best practice.

## **Ethics Committee, Code of Conduct and ethical culture**

Given the statutory powers available to the Commission, it is important that the Commission maintains an ethical culture. The Commission expects its staff to maintain high ethical standards. The Commission, through the Commissioner, Assistant Commissioners and management, actively promotes an ethical culture. The Commission highlights the importance of compliance with ethical standards through staff seminars, at operational and other meetings, and through its corporate and operational policies and procedures.

During the reporting period, the Commission undertook a comprehensive review of its Code of Conduct and the policies underpinning the behaviour the Commission expects from its staff. The Commission issued its new Code of Conduct in April 2014. All staff received training on the Code of Conduct, and were required to commit to abiding by this Code. The Commission's Code of Conduct can be found on the Commission's website.

The Commission's Ethics Committee continued to operate during the reporting period. The Ethics Committee meets on a quarterly basis to discuss ethical issues that may be faced, or have been reported, by Commission staff, and aims to provide guidance to staff on these issues.

## **Fraud and corruption controls**

In December 2013, the Commission conducted a Fraud and Corruption Awareness Survey. Over 50 per cent of staff responded to the survey and 97 per cent of respondents agreed that the Commission encouraged them to report alleged fraud and corruption. Ninety-eight per cent of respondents stated that they would report any corruption or fraud by Commission officers if they became aware of such conduct. The results of the survey informed the development of the Commission's revised Fraud and Corruption Control Plan, which the IARC approved.

During the reporting period, the Management Team reviewed and updated the executive fraud and corruption risks included in the fraud and corruption risk register. The Commission reviewed these risks, taking into account the mitigation strategies it deployed and any relevant changes in the Commission's processes and procedures during the reporting period.

## **ACCOUNTABILITY AND SCRUTINY OF THE COMMISSION**

The Commission is subject to a range of scrutiny and accountability measures. These include measures common to most public sector agencies, such as maintaining an internal audit and risk management capability. The Auditor-General, the Commonwealth Ombudsman, and the NSW Ombudsman also scrutinise aspects of the Commission's work. The Commission is subject to the supervision of its Management Committee, the Department of Attorney General and Justice, the MPES, and the Treasury. It is also subject to, or implements where applicable, policies and other measures emanating from those bodies, as well as the Department of Premier and Cabinet, and others. Scrutiny is also undertaken by the Parliament through its Budget Estimates Committee, and the PJC. In addition to these generic measures, the Commission is subject to the scrutiny of its Inspector and, along with the NSW Police, the scrutiny of the PIC.

### **Internal audit and risk management**

The Commission continued to retain an independent third-party provider ('ITPP') to work in co-ordination with the Commission's Internal Auditor. The ITPP and Internal Auditor conducted audits in areas covered by the 2013–2014 Audit Plan. The 2013–2014 Audit Plan was the last year in a three-year audit program which resulted in significant audit activity being carried out across the Commission. The audits identified areas where the Commission could further improve internal controls and the Commission has implemented the majority of these recommendations.

The ITPP conducted audits across a number of corporate and operational areas including:

- human resources, payroll, and leave;
- taxation compliance; and
- a fidelity review.

Two of the scheduled audits are yet to be completed. The Commission's Management Team reviewed all the ITPP audit reports and referred them to the IARC for review and appropriate notation. The Governance Unit and the IARC follow up all accepted recommendations to ensure implementation.

In addition to the work of the ITPP, the Commission's Internal Auditor conducted audits of the Commission's access to external databases and reported the outcomes to the IARC through the Commissioner.

The Commission's Internal Audit and Risk Management Attestation can be found at [Appendix G](#).

### ***Internal Audit and Risk Committee***

The Commission's IARC continued to operate throughout the reporting period and met on a quarterly basis. The Commission continued to have an appointed Chief Audit Executive and maintained an internal audit function as required by Treasury Guidelines and Policy Paper TPP 09-05 *Internal Audit and Risk Management Policy for the NSW Public Sector*.

### ***Functions and membership of the Internal Audit and Risk Committee***

The Commission's IARC was established to provide advice and support to the Commissioner by:

- reviewing all aspects of the internal audit and control function within the Commission, including assessing the effectiveness of the function;
- reviewing the adequacy and quality of the internal control structure;
- fulfilling the legal requirements of s. 11 of the *Public Finance and Audit Act 1983*;
- reviewing the Commission's financial statements and financial reporting generally;
- assessing the performance of the Commission's financial and operational management;
- reviewing the timeliness and appropriateness of management responses to audit reports;
- reviewing and assessing all aspects of the Commission's internal audit function, from the approval of the charter through to the review of audit results; and
- monitoring the effectiveness of risk management strategies and internal audit results.

Although the IARC reports to the Commissioner, its role is strictly advisory. The Commissioner is under no obligation to accept any advice from the IARC as the Commissioner has overall responsibility and accountability for the management of the Commission.

The Commission's IARC consists of an Independent Chair, Mr Peter Whitehead, an Independent Member, Mr Peter Lucas, and a non-independent member, who is a member of the Executive Staff of the Commission. The role of non-independent member was held by the Commission's Director (Financial Investigations) during the reporting period. The IARC meets at least once each three months to perform its function.

A number of permanent invitees continued to attend the IARC meetings during the reporting period. They included the Commissioner, the Governance Manager (in the capacity as Chief Audit Executive), the Internal Auditor, the Commission's Finance Manager, representatives of the independent third party provider ('ITPP'), the Inspector, and representatives of the Audit Office.

The Director (Corporate Services) was appointed in early 2014, and was also invited to attend the meetings as an invitee.

During the reporting period all members of the IARC attended all four meetings.

### ***Achievements of the Internal Audit and Risk Committee***

The key achievements of the IARC during the reporting period included:

- reviewing all aspects of the Commission's internal audit and control functions;
- monitoring the Commission and its ITPP's adherence with the Commission's annual internal audit plan;
- monitoring the Commission's response to and implementation of audit recommendations;
- assisting in the development of the Commission's governance framework;

- over-seeing the Commission's corporate services risks, including its ICT and human resources risks;
- reviewing the Commission's financial position on a quarterly and annual basis;
- monitoring the effectiveness of audit and risk management strategies for compliance with Treasury Guidelines TPP09-05 and the Treasury Risk Management Toolkit;
- liaising with the Commission's ITPP;
- monitoring the Commission's 2013–2014 Audit Client Service Plan; and
- reviewing the IARC's charter in compliance with Treasury guidelines.

## **Other risk management activities**

The Commission's approach to risk management has matured in recent years. In addition to monitoring identified risks, the Commission undertook a program of WH&S operational risk workshops aimed at identifying risks across specific areas of the Commission's business.

During the year, the Commission reviewed and updated its Risk Management Policy. The Commission's Management Team participated in the annual review of the Commission's enterprise risks enabling the Commission to identify and manage any new and emerging risks and incorporate them into the Commission's Enterprise Risk Register. The Commission's Management Team continued to review and manage the Commission's executive level risks on a regular basis.

The Commission has a comprehensive business continuity plan that is updated on an annual basis.

In accordance with the *Digital Information Security Policy for the NSW Public Sector*, the Commission developed and implemented an Information Security Management System during the reporting period. The Commission's Digital Information Security Policy Attestation can be found at [Appendix F](#).

## **External audit**

### ***NSW Ombudsman***

The NSW Ombudsman conducts regular inspections or audits of the Commission's documents and operations. In particular, the NSW Ombudsman conducts inspections and audits and prepares reports pursuant to:

- subs. 11 (1) of the TIA (NSW) Act;
- Part 5 of the LEPR Act (although no inspections regarding the Commission occurred during the reporting period because no applications were made during the reporting period for covert search warrants);
- subs. 49 (1) of the SD Act (the report is publicly available); and
- Part 4 of the LECO Act (the report is publicly available).

### ***Commonwealth Ombudsman***

The Commonwealth Ombudsman audits the Commission's compliance with requirements contained in the TIA Act in respect of obtaining access to stored communications. The most recent audit report on access to stored communications concerns 2012–2013. The 2013–2014 audit occurred on 22 October 2014.

## **External oversight of the Commission**

### ***Inspector of the Commission***

The Hon. Graham Barr QC is the Inspector of the Commission.

The Inspector of the Commission has responsibility for:

- auditing the operations of the Commission for the purpose of monitoring compliance with NSW laws;
- dealing with complaints of abuse of power, impropriety and other forms of misconduct on the part of the Commission or officers of the Commission;
- dealing with conduct amounting to maladministration including, but not limited to, delays in the conduct of investigations and unreasonable invasions of privacy by the Commission or officers of the Commission; and
- assessing the effectiveness and appropriateness of the procedures of the Commission relating to the legality or propriety of its activities.

The Inspector of the Commission has extensive powers. The Inspector of the Commission can exercise these powers on his own initiative, at the request of the Minister, in response to a complaint made to the Inspector, or in response to a referral by the PJC or a government agency or member of a government agency. The Commission or the Management Committee may also refer matters to the Inspector for investigation.

The Inspector of the Commission:

- may investigate any aspect of the Commission's operations or any conduct of officers of the Commission;
- is entitled to full access to the Commission's records and may take or have copies made of any of them;
- may require Commission officers to supply information or produce documents or other things relating to the Commission's operations or conduct of Commission officers;
- may require Commission officers to attend before the Inspector to answer questions or produce documents or other things relating to the Commission's operations or any conduct of officers of the Commission;
- may investigate and assess complaints about the Commission or officers of the Commission;
- may refer matters relating to the Commission or officers of the Commission to other public authorities or public officials for consideration or action; and
- may recommend disciplinary action or criminal prosecution against officers of the Commission.

The Commission has endeavoured to familiarise the Inspector with the operations and procedures of the Commission. To this end, the Inspector has attended meetings of the Management Committee and the IARC. The Commission will continue to assist the Inspector in the discharge of his functions.

For further information about the Office of the Inspector of the Commission, please see the Inspector's website ([www.oicc.nsw.gov.au](http://www.oicc.nsw.gov.au)).

### ***Parliamentary Joint Committee on the Office of the Ombudsman, the Police Integrity Commission and the Crime Commission***

Since the commencement of the Commission Act, the Commission has fallen under the oversight of the PJC.

The functions of the PJC are:

- to monitor and review the Commission, the Management Committee, and the Inspector's exercise of their functions;
- to report to both Houses of Parliament, with such comments as it thinks fit, on any matter appertaining to the Commission, the Management Committee or the Inspector of the Commission, or connected with the exercise of their respective functions to which, in the opinion of the PJC, the attention of Parliament should be directed;
- to examine each annual and other report of the Commission, and of the Inspector of the Commission, and report to both Houses of Parliament on any matter appearing in, or arising out of, any such report; and
- to inquire into any question in connection with its functions which is referred to it by both Houses of Parliament, and report to both Houses on that question.

### ***Police Integrity Commission***

The PIC has the function of investigating allegations of misconduct against current and former officers of the Commission. The PIC Act provides that any person may make a complaint to the PIC about a matter that involves or may involve misconduct of a Commission officer and the PIC may investigate any such complaint or decide that the complaint need not be investigated. The Commissioner is under a duty to notify the PIC of any possible misconduct by an officer of the Commission. The Inspector of the Commission has the right to make reasonable use of the services of the staff or facilities of the PIC.

### **Complaint handling**

The Commission is committed to responding to complaints in a timely and ethical fashion.

#### ***Complaints from members of the public***

Complaints about the Commission can be made directly to the Commission, to the Inspector of the Commission, and to the PIC.

Complaints can be made to the Commission as follows:

Mail	Fax	Email
Complaints Officer NSW Crime Commission PO Box Q566 SYDNEY NSW 1230	Complaints Officer 02 9269 3809	<a href="mailto:complaints@crimecommission.nsw.gov.au">complaints@crimecommission.nsw.gov.au</a>

Complaints can also be made to the Inspector of the Commission and to the PIC. Details on how to contact the Inspector and the PIC can be found on the Commission's website.

During the reporting period, the Commission reviewed its Complaints Handling Policy and Procedures in an effort to ensure that the Commission responds to and addresses complaints received from members of the public and others in a timely and efficient manner. The Commission also expanded the ways in which complaints can be made to the

Commission through the establishment of a dedicated email address to enable faster responses to complaints. The Commission now receives 60 per cent of complaints through this email address.

The majority of complaints received by the Commission do not relate to the activities of the Commission – they related to other NSW government departments, particularly the NSW Police, or to criminal offences that may have been committed in NSW. The Commission assesses each complaint and, where it does not relate to the Commission, refers it to the relevant oversight or investigative body.

During the reporting period, the Commission received 15 complaints from outside the Commission. The Commission reviewed each of these complaints and found that six complaints related to the activities and/or functions of the Commission and that nine related to other bodies or were allegations of criminal activities.

The Commission's review indicated that two of the complaints were vexatious, frivolous, lacking in substance, or did not amount to a complaint and took no further action. The Commission referred two of the complaints to the Inspector. The Inspector dismissed one of the complaints and, at the time of this report, the Commission is awaiting the advice of the Inspector in respect of the second complaint. The Commission is continuing to investigate the remaining complaints that relate to the Commission.

### ***Reporting to the PIC***

The Commission also has an obligation under s. 75D of the PIC Act to report allegations of potential corruption and/or misconduct by NSW Police or current or former Commission members of staff to the PIC, regardless of how the Commission became aware of the issue. During the reporting period, the Commission referred 12 such matters to the PIC: nine matters related to the NSW Police, and three matters related to current or former Commission employees.

### ***Public Interest Disclosures***

The Commission is a public authority to which the *Public Interest Disclosures Act 1994* ('the PID Act') applies. The Commission is committed to acting with proper regard to the public interest and all Commission staff have the full support of the Commission when seeking to make a public interest disclosure in accordance with the PID Act.

In its support of the PID Act, the Commission has taken appropriate steps to encourage staff of the Commission to make legitimate public interest disclosures if they witness or discover relevant misfeasance or nonfeasance, to protect staff from reprisals for making public interest disclosures, and to rectify any issues that are uncovered as a result of public interest disclosures.

During the reporting year, the Commission undertook relevant educative measures to ensure that all staff were aware of the contents of the Commission's Internal Reporting Policy and the provisions of the PID Act (especially the protections for a person who makes a public interest disclosure). This included distributing posters throughout the Commission's common areas highlighting the objects of the PID Act, identifying Commission Disclosure Officers, and informing staff about how to access the Internal Reporting Policy.

Pursuant to the PID Act, the Commission has nominated both male and female Disclosure Officers, a Disclosures Coordinator, and a panel of Disclosures Support Persons.

During the reporting period, the Commission did not receive any public interest disclosures.

The Commission finalised three disclosures made in the previous reporting period.

The Commission's Annual Report under s. 31 of the PID Act is reproduced at [Appendix H](#). Its report under s. 6CA of the PID Act is reproduced at [Appendix I](#).

### ***Internal complaints***

The Commission has a history of accepting complaints and disclosures, of properly dealing with them, and of protecting their makers from reprisals. The Commission provides its staff with an alternative system for complaints and disclosures outside the PID Act. Staff are able, if they choose, to use non-PID Act procedures.

During the reporting period, the Commission revised its internal complaints policies and procedures.

The Commission is committed to acting properly in relation to complaints that are not public interest disclosures, whether made by members of staff of the Commission or members of the public. The Commission encourages staff to raise problems or complaints with their supervisors and the Management Team. The Commission's Management Team meets regularly and all complaints are discussed. The Commission endeavours to deal with each problem or complaint effectively and efficiently.

During the reporting period, the Commission received one internal complaint. The internal complaint related to bullying and harassment. The Commission undertook a full investigation of the matter in accordance with its policies and procedures, resulting in a finding of inappropriate conduct. A recommendation was made to, and accepted by, the Commissioner in relation to the matter, and the relevant staff member was counselled regarding their behaviour.

## **OTHER REPORTING ISSUES**

### **Agreements with the Community Relations Commission**

In September 2006, the Commission entered into a Memorandum of Understanding with the Community Relations Commission to ensure that persons appearing at the Supreme Court in respect of proceedings under the CAR Act are not disadvantaged as a result of language difficulties. The agreement provides that the Community Relations Commission will provide professional interpreting services on a fee-exempt basis to any person whose first language is not English and who may experience difficulty in comprehending or fully participating in proceedings under the CAR Act. The Commission continues to arrange interpreting services on behalf of persons appearing at the Court in accordance with the agreement.

### **This Annual Report**

Both the Commission Act and the *Annual Reports (Departments) Act 1985* ('the Annual Reports Act') require the Commission to report annually. The requirements are cumulative. The Annual Reports Act requires the Commission to prepare an Annual Report and submit it to the Minister (with a copy to the Treasurer). The Annual Reports Act further requires the Commission to prepare a Report of Operations, including a 'letter of submission' to the Minister.

The Commission Act requires the Commission to prepare a report of its operations and furnish it to the Management Committee for transmission, with such comments as the Management Committee thinks fit, to the Minister. The Annual Reports Act allows the Commission to incorporate all of these annual reports into a single document, and it has done so on this occasion.

In preparing this report, the Commission has sought to provide the public with as full an account of itself and its activities as is lawful, economical and not prejudicial to its functions.

This Report was prepared and has been furnished in accordance with s. 82 of the Commission Act; the Annual Reports Act; the *Annual Reports (Departments) Regulation 2010* ('the Annual Reports Regulation'); Treasury Circulars 07/12, 07/13, 08/08, 08/10, 09/07, 10/09, 11/09, 11/18, 11/19, 11/21, and 14/27; PSC Circular 2014-09, and Premier's Memoranda 1997-10, 2002-07, 2003-05, 2004-05, 2009-01, 2011-05, 2011-22, 2012-15, 2013-09; and 2013-13. In particular, this Report complies with Premier's Memorandum 2013-09, entitled 'Production Costs of Annual Reports', which requires that:

- content is limited to recording performance and statutory obligations;
- two copies of the Annual Report be printed in black and white using in-house equipment for provision by the Minister to Parliament;
- unnecessary photographs or illustrations are eliminated; and
- all external production costs such as copy writing, design and printing are eliminated.

The Commission Act provides the Minister with authority to give directions on the manner and time of the preparation of the Annual Report (but not its contents). No such directions have been made with respect to this Annual Report.

No extension of time for the submission of this Report was sought or granted.

In accordance with the Premier's Memorandum 2013-09 and a request from the Minister's office, the Commission produced twenty hard copies of the 2012–2013 Annual Report. These copies were produced using the existing facilities of the Commission and at a minimal cost.

Consistently with Premier's Memorandum 2013-09, and taking into account the additional reporting rules applicable to the Commission, twenty hard copies of this Annual Report will be made. This will enable copies to be provided to the Minister (with an extra copy to facilitate provision to Parliament), the members of the Management Committee (with an extra copy for transmission to the Minister), and to the Inspector of the Commission, with the Commission keeping one copy (enabling it to satisfy appropriate record keeping standards).

No consultants were retained for any aspect of the preparation of this Annual Report and no external costs were incurred.

## **Building management**

The Commission is located in Kent Street, Sydney. The Commission originally acquired its current premises in 1993 out of its own resources and an advance payment of funding for four years' rent obtained from the Government and Parliament. Thereafter, the Commission's budget allocation was subsequently reduced as it no longer had a commitment for leasing of premises. The Commission managed and maintained the property until it was required to transfer its ownership to the State Property Authority ('SPA'). SPA has since been renamed Government Property NSW ('GPNSW').

Overall management of the Commission's premises during the reporting period is undertaken by GPNSW.

In the last reporting period, GPNSW commenced remediation of water damage caused by a combination of a broken rainwater head, corroded downpipe and drummy façade render on the Druitt Place (south-west) side of the building. The Commission first reported this issue to GPNSW (then, SPA) in mid-2011.

Repair works began in September 2013 after some time spent planning the works. Scaffolding was erected around the damaged portion of the building, reducing the Commission's complement of car spaces by one. Due to complications throughout, including the discovery of more serious damage to the building façade than was first identified, the length of the project was extended, and eventually completed in April 2014.

GPNSW have also undertaken a routine program of works to maintain and upgrade, where necessary, the air-conditioning infrastructure. New package units have been installed on two levels, and air balances have been carried out in an effort to rectify stifling temperatures on three floors. This has resulted in some improvement in environmental conditions, but other areas of the building still suffer from inconsistent air-conditioning service.

## **Commission publications**

The Commission produced two publications in the last financial year—the Commission's Annual Report and the Organised Crime Disruption Strategy.

All the Commission's Annual Reports and the Organised Crime Disruption Strategy are available in electronic form on the Commission's website.

## **Consultants**

The Annual Reports (Departments) Regulation requires an annual report to include certain information about 'consultants'. The term is not defined in that Regulation or in its enabling statute. However, both Premier's Memorandum 2002–07 ('Engagement and Use of Consultants'), in its section headed 'Describing the Nature and Purpose of Consultancies in Agency Annual Reports', and the 'Guidelines for the Engagement and Use of Consultants' issued under cover of Premier's Memorandum 2004–17 'define' 'consultant' as 'a person or organisation engaged under contract on a temporary basis to provide recommendations or high-level specialist or professional advice to assist decision-making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.'

In June 2013, the Commission engaged a consultant to conduct an organisational review of the Commission's management structure. The consultant completed this work during the reporting period. The consultant recommended the establishment of a CSD. The Commission has implemented this recommendation.

## **Controlled entities**

The Commission has established and manages a number of controlled entities. The Commission established these controlled entities to facilitate its covert operations. These entities are not trading organisations and are not used for the purpose of conducting business or commerce. The entities are funded directly by the Commission and accounted for within the consolidated accounts of the Commission. The controlled entities do not have a material impact on the Commission's accounts.

## **Disability Action Plan**

The Commission is committed to implementing the NSW Government's Disability Policy Framework and to providing the necessary resources to ensure that staff, visitors, and members of the public are dealt with in an equitable, professional and compassionate manner, having regard to any disabilities they may have.

The Commission is reviewing its Disability Action Plan ('DAP') and intends to publish it in late 2014. Implementation of the DAP is the responsibility of the Director (Corporate Services).

The Commission will continue its aim to promote positive attitudes and maintain levels of awareness of the needs of people with disabilities among its staff.

In early 2013, the Commission became involved with Jobsupport, an organisation that places, trains and maintains people with a significant intellectual disability into quality jobs in the regular workforce that meet both their employment needs and the needs of the employer. Through Jobsupport, the Commission recruited an employee, who is still with the Commission.

Although most Commission staff do not deal with members of the public in the course of their official duties, the Commission ensures that staff have access to relevant education and training in relation to awareness of disability-related issues within the workplace, where required.

The Commission has a complaints handling system which may be used to receive complaints from staff or members of the public about inequitable access for people with disabilities.

## Privacy

The Commission continues to comply with its Privacy Management Plan. Statistics for complaints and internal reviews under the *Privacy and Personal Information Protection Act 1998* are as follows:

**Table 26**

Complaints made against the Commission	0
Internal reviews conducted by the Commission	0
External reviews conducted by the Privacy Commission	0
External reviews conducted by the Administrative Decisions Tribunal	0

## Public access to government information

The Commission is bound by the *Government Information (Public Access) Act 2009* ('GIPA Act'), although its investigative and reporting functions are listed in Sch. 2 to the GIPA Act. The Commission Act is not listed in Sch. 1.

Any requests for information pursuant to the GIPA Act can be made to the Commission in writing, addressed as follows:

Government Information Officer  
 NSW Crime Commission  
 PO Box Q566  
 QVB Post Office  
 SYDNEY NSW 1230

Telephone or personal inquiries can be made during regular business hours. Telephone numbers and the mailing address for inquiries can be found on the inside cover of this Report. A form for applications under the GIPA Act for access to information is available on the Commission's website.

The Commission's GIPA Act Annual Report can be found at [Appendix J](#).

## Waste Reduction and Purchasing Policy

The Commission is conscious of, and takes steps to reduce, the impact of its operations on the environment. In accordance with the NSW Government's Waste Reduction and Purchasing Policy ('the WRAPP'), the Commission regularly reviews its waste and recycling policies, energy and water consumption and purchasing practices, and implements measures which enable increased use of recycled material and better management of waste reduction.

The Commission continues its commitment to continual improvement of waste avoidance and recycling systems across the agency. Recycling remains high in the Commission's environmental priorities. In an effort to promote staff awareness, the Commission conducts regular recycling campaigns.

Some of the measures adopted by the Commission as part of its WRAPP include:

- keeping staff and other people within the building aware of changes and developments in respect of the WRAPP;
- conducting product research and purchasing environmentally friendly and responsible products;
- improving waste avoidance and increasing recycling;
- reusing office equipment and other resources wherever possible;
- only using 100% recycled paper;
- recycling all waste paper, cardboard and empty toner cartridges;
- encouraging and making it easy for staff to recycle paper products, plastics, glass, and mobile phones;
- encouraging staff to adopt energy efficient practices;
- encouraging staff to recycle clothing and other items through donations to charities;
- purchasing energy efficient equipment; and
- disposing of obsolete electrical and computer equipment (e-waste) through PRA Renewable Recyclers, a NSW based non-profit organisation helping socially disadvantaged people.

## Financial matters

### *Account payment performance*

The Commission's policy on accounts payable is that, where practicable, claims for payments are processed within the supplier's terms or, if no terms are stated, within thirty days of receipt of the invoice.

The Commission's performance in paying its bills in a timely manner was as follows:

Table 27

<b>Aged analysis at the end of each quarter – All suppliers</b>					
<b>Quarter</b>	<b>Current (within due date) (\$'000)</b>	<b>Less than 30 days overdue (\$'000)</b>	<b>31 to 60 days overdue (\$'000)</b>	<b>60 to 90 days overdue (\$'000)</b>	<b>More than 90 days overdue (\$'000)</b>
<b>September 2013</b>	3,664	28	0	0	0
<b>December 2013</b>	3,440	7	0	0	0
<b>March 2014</b>	2,701	17	0	0	0
<b>June 2014</b>	7,298	653	0	0	0
<b>Aged analysis at the end of each quarter – Small business suppliers</b>					
<b>Quarter</b>	<b>Current (within due date) (\$'000)</b>	<b>Less than 30 days overdue (\$'000)</b>	<b>31 to 60 days overdue (\$'000)</b>	<b>61 to 90 days overdue (\$'000)</b>	<b>More than 91 days overdue (\$'000)</b>
<b>September 2013</b>	429	0	0	0	0
<b>December 2013</b>	141	0	0	0	0
<b>March 2014</b>	200	1	0	0	0
<b>June 2014</b>	131	5	0	0	0

Table 28

<b>Total accounts paid on time</b>				
<b>Quarter</b>	<b>Target (%)</b>	<b>Actual (%)</b>	<b>Total paid (\$)</b>	<b>Total due (\$)</b>
<b>September 2013</b>	85	99	3,635,129.32	3,663,648.47
<b>December 2013</b>	85	100	3,439,258.21	3,446,560.38
<b>March 2014</b>	85	99	2,685,157.74	2,701,693.92
<b>June 2014</b>	85	91	6,645,476.51	7,297,625.32

Table 29

<b>Accounts due or paid within each quarter</b>				
<b>Measure</b>	<b>September 2013</b>	<b>December 2013</b>	<b>March 2014</b>	<b>June 2014</b>
<b>All suppliers</b>				
Number of accounts due for payment	624	468	454	613
Number of accounts paid on time	621	467	436	590
Actual percentage of account paid on time (based on number of accounts)	100	100	96	96
Dollar amount of accounts due for payment*	3,663,648	3,446,560	2,701,694	7,297,625
Dollar amount of accounts paid on time*	3,635,129	3,439,258	2,685,158	6,645,477
Actual percentage of accounts paid on time (based on amount)	99	100	99	91
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0
<b>Small business suppliers</b>				
Number of accounts due for payment	173	109	121	83
Number of accounts paid on time	173	108	118	79
Actual percentage of account paid on time (based on number of accounts)	100	99	98	95
Dollar amount of accounts due for payment*	428,656	141,263	200,558	130,641
Dollar amount of accounts paid on time*	428,656	140,817	199,443	125,445
Actual percentage of accounts paid on time (based on amount)	100	100	99	96
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

\* Dollar amounts are inclusive of GST

### ***Credit card certification***

Commission practice during 2013–2014 conformed to its corporate credit card policy. The policy is based on NSW Treasury Guidelines and Treasurer’s Direction 205.01.

The Commission certifies that authorised Commission officers used credit cards in accordance with its own policies, memoranda of the Department of Premier and Cabinet, and the Treasurer’s Directions. There were no known instances of credit card misuse during the year.

### ***Grants to non-government community organisations***

The Commissioner did not grant any funds to non-government community organisations during the reporting period.

### ***Insurance activities***

Through the Treasury Managed Fund, the Commission insures against a range of risks that include such things as workers’ compensation, motor vehicle damage, property damage, and public liability.

In 2013–2014, the Commission made 11 insurance claims, compared to eight claims made in 2012–2013. These claims related to property, motor vehicles and workers’ compensation.

### ***Land disposal***

The Commission did not dispose of any land during the year.

### ***Overseas travel***

During 2013–2014, two senior members of the Commission travelled overseas as invited guests to attend an international professional conference and training symposium.

### ***Purchase of major assets***

The Commission’s purchasing of major assets during the reporting period was as follows:

Table 30

<b>Asset</b>	<b>Cost (\$)</b>
Building refurbishment	138,060
ICT hardware	70,119
Computer software	224,154
Analytical software	2,849,596
Other IT equipment	467,624
Surveillance equipment	407,806
Other plant and equipment	101,685
Covert facilities	40,231
<b>Total</b>	<b>4,299,276</b>

## **AUDITED FINANCIAL STATEMENTS**

**NEW SOUTH WALES CRIME COMMISSION  
CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**New South Wales Crime Commission**

**Financial Statements for the  
year ended 30 June 2014**

**STATEMENT BY COMMISSIONER**

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

- (a) The accompanying financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Financial Reporting Code for NSW General Government Sector Entities, the Public Finance and Audit Regulation 2010, the Treasurer's Directions and applicable Australian Accounting Standards (which include Australian Accounting Interpretations).
- (b) The statements present a true and fair view of the financial position as at 30 June 2014 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.



Peter Singleton  
Acting Commissioner



Kelly Yeung  
Finance Manager

Dated: 19 September 2014



## INDEPENDENT AUDITOR'S REPORT

### New South Wales Crime Commission

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the New South Wales Crime Commission (the Commission), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information.

### Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Commission as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

### Commissioner's Responsibility for the Financial Statements

The Commissioner is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Commissioner determines is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Commission
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



David Nolan  
Director, Financial Services

19 September 2014  
SYDNEY

Start of audited financial statements

**NEW SOUTH WALES CRIME COMMISSION**  
Statement of comprehensive income for the year ended 30 June 2014

	Notes	<u>Consolidated</u>			<u>Statutory Corporation</u>	
		Actual	Budget	Actual	Actual	Actual
		2014	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>						
Operating expenses						
Employee related	2(a)	17,219	16,802	14,340	-	-
Other operating expenses	2(b)	5,338	5,497	4,855	5,338	4,855
Personnel services	2(c)	-	-	-	16,466	13,941
Depreciation and amortisation	2(d)	723	1,280	803	723	803
Other expenses		-	25	-	-	-
<b>Total Expenses excluding losses</b>		<b>23,280</b>	<b>23,604</b>	<b>19,998</b>	<b>22,527</b>	<b>19,599</b>
<b>Revenue</b>						
Investment revenue	3(a)	95	110	159	95	159
Grants and contributions	3(b)	25,429	25,724	19,680	25,429	19,680
Acceptance by the Crown Entity of employee benefits and other liabilities	3(c)	753	626	399	-	-
Other revenue	3(d)	55	50	59	55	59
<b>Total Revenue</b>		<b>26,332</b>	<b>26,510</b>	<b>20,297</b>	<b>25,579</b>	<b>19,898</b>
<b>Gain/(loss) on disposal</b>	4	(1)	-	(13)	(1)	(13)
<b>Net result</b>	19	<b>3,051</b>	<b>2,906</b>	<b>286</b>	<b>3,051</b>	<b>286</b>
<b>Other comprehensive income</b>		-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>3,051</b>	<b>2,906</b>	<b>286</b>	<b>3,051</b>	<b>286</b>

The accompanying notes form part of these financial statements.

**NEW SOUTH WALES CRIME COMMISSION**  
**Statement of financial position as at 30 June 2014**

	Notes	<u>Consolidated</u>			<u>Statutory Corporation</u>	
		Actual	Budget	Actual	Actual	Actual
		2014	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	5	2,634	2,374	3,100	2,634	3,100
Receivables	6	984	602	668	774	486
<b>Total Current Assets</b>		<b>3,618</b>	<b>2,976</b>	<b>3,768</b>	<b>3,408</b>	<b>3,586</b>
<b>Non-Current Assets</b>						
Receivables	7	191	354	439	124	123
Property, plant and equipment	8					
- Land and buildings		111	71	71	111	71
- Plant and equipment		2,351	1,882	1,541	2,351	1,541
Intangible assets	9	3,781	3,992	1,057	3,781	1,057
<b>Total Non-Current Assets</b>		<b>6,434</b>	<b>6,299</b>	<b>3,108</b>	<b>6,367</b>	<b>2,792</b>
<b>Total Assets</b>		<b>10,052</b>	<b>9,275</b>	<b>6,876</b>	<b>9,775</b>	<b>6,378</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	11	911	623	790	456	416
Borrowings	12	210	226	177	-	-
Provisions	13	1,729	2,041	1,511	2,208	1,902
<b>Total Current Liabilities</b>		<b>2,850</b>	<b>2,890</b>	<b>2,478</b>	<b>2,664</b>	<b>2,318</b>
<b>Non-Current Liabilities</b>						
Borrowings	15	67	197	316	-	-
Provisions	14	24	18	22	-	-
<b>Total Non-Current Liabilities</b>		<b>91</b>	<b>215</b>	<b>338</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>2,941</b>	<b>3,105</b>	<b>2,816</b>	<b>2,664</b>	<b>2,318</b>
<b>Net Assets</b>		<b>7,111</b>	<b>6,170</b>	<b>4,060</b>	<b>7,111</b>	<b>4,060</b>
<b>EQUITY</b>						
Accumulated funds		7,111	6,170	4,060	7,111	4,060
<b>Total Equity</b>		<b>7,111</b>	<b>6,170</b>	<b>4,060</b>	<b>7,111</b>	<b>4,060</b>

The accompanying notes form part of these financial statements.

**NEW SOUTH WALES CRIME COMMISSION**  
**Statement of changes in equity for the year ended 30 June 2014**

	Accumulated Funds \$'000	Total \$'000
<b>Balance at 1 July 2013</b>	4,060	4,060
<b>Net result for the year</b>	3,051	3,051
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>3,051</u>	<u>3,051</u>
<b>Transactions with owners in their capacity as owners</b>		
Increase / (decrease) in net assets from equity transfers	-	-
<b>Balance at 30 June 2014</b>	<u><u>7,111</u></u>	<u><u>7,111</u></u>
<b>Balance at 1 July 2012</b>	3,774	3,774
<b>Net result for the year</b>	286	286
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>286</u>	<u>286</u>
<b>Transactions with owners in their capacity as owners</b>		
Increase / (decrease) in net assets from equity transfers	-	-
<b>Balance at 30 June 2013</b>	<u><u>4,060</u></u>	<u><u>4,060</u></u>

The above Statement of changes in equity refers to the Consolidated Entity and the Statutory Corporation as the figures are the same in both instances.

The accompanying notes form part of these financial statements.

**NEW SOUTH WALES CRIME COMMISSION**  
**Statement of cash flows for the year ended 30 June 2014**

	Notes	<u>Consolidated</u>			<u>Statutory Corporation</u>	
		Actual	Budget	Actual	Actual	Actual
		2014	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee related		(16,174)	(15,934)	(13,376)	(16,390)	(13,642)
Other		(6,497)	(5,888)	(5,579)	(6,497)	(5,579)
<b>Total Payments</b>		<b>(22,671)</b>	<b>(21,822)</b>	<b>(18,955)</b>	<b>(22,887)</b>	<b>(19,221)</b>
<b>Receipts</b>						
Interest received		93	110	161	93	161
Grants and contributions		25,429	25,724	19,680	25,429	19,680
Other		1,197	393	650	1,197	650
<b>Total Receipts</b>		<b>26,719</b>	<b>26,227</b>	<b>20,491</b>	<b>26,719</b>	<b>20,491</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	19	<b>4,048</b>	<b>4,405</b>	<b>1,536</b>	<b>3,832</b>	<b>1,270</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of property, plant and equipment		1	-	23	1	23
Purchases of property, plant and equipment		(1,259)	(1,282)	(312)	(1,259)	(312)
Purchase of intangibles		(3,040)	(3,200)	(318)	(3,040)	(318)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(4,298)</b>	<b>(4,482)</b>	<b>(607)</b>	<b>(4,298)</b>	<b>(607)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds of borrowings and advances		(216)	-	(266)	-	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(216)</b>	<b>-</b>	<b>(266)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>(466)</b>	<b>(77)</b>	<b>663</b>	<b>(466)</b>	<b>663</b>
Opening cash and cash equivalents		3,100	2,451	2,437	3,100	2,437
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	5	<b>2,634</b>	<b>2,374</b>	<b>3,100</b>	<b>2,634</b>	<b>3,100</b>

The accompanying notes form part of these statements.

## 1. **Summary of Significant Accounting Policies**

### (a) Reporting entity

The New South Wales Crime Commission (the Commission) is a NSW government entity. The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The New South Wales Crime Commission, as a reporting entity, comprises of itself and one other entity under its control; the NSW Crime Commission Staff Agency. The NSW Crime Commission Staff Agency assumed the role of the, now abolished, NSW Crime Commission Division and Office of the NSW Crime Commission pursuant to the *Government Sector Employment Act 2013*, effective 24 February 2014.

In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entity, all inter-entity transactions and balances have been eliminated.

The consolidated financial statements for the year ended 30 June 2014 have been authorised for issue by the Commissioner on 19 September 2014.

### (b) Basis of consolidation and preparation

The Commission's consolidated financial statements include the financial statements of the economic entity and the New South Wales Crime Commission Staff Agency.

The Commission's financial statements are general purpose financial statements which have been prepared on an accrued basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* (PFAA) and Public Finance and Audit Regulation 2010 and;
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Property, plant and equipment, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

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

### (c) Statement of compliance

The consolidated and parent entity financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (d) 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 to deploy the resources for the Commission's own objectives.

Transactions and balances relating to the administered activities are not recognised as the Commission's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as Administered Assets.

The accrual basis of accounting and applicable accounting standards have been adopted.

## 1. **Summary of Significant Accounting Policies (continued)**

### (e) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred in accordance with Treasury's mandate to not-for-profit government sector entities.

### (f) Insurance

The Commission's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

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

Income, expenses and assets are recognised net of the amount of GST, except that 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; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

### (h) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

#### (i) Grants and contributions

Except as specified below, grants and contributions from other bodies are generally recognised as income when the Commission obtains control over the assets comprising the contributions. Control over grants and contributions is normally obtained upon the receipt of cash. Under expenditure of grants funded by the principle department of the cluster, the Department of Attorney General and Justice, are recognised as liabilities rather than as income, as the authority to spend the money lapses and the unspent amount must be repaid to the principal department.

#### (ii) Professional costs recovered

Income from professional costs recovered comprises revenue awarded to the Commission from litigation proceedings. This income is recognised following the making of a costs order by a court.

#### (iii) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

## 1. **Summary of Significant Accounting Policies (continued)**

### (i) Assets

#### (i) Acquisition of assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

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

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

#### (ii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

#### (iii) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs. Also refer Note 8 and Note 10 for further information regarding fair value.

The Commission assesses each class of property, plant and equipment with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

## 1. Summary of Significant Accounting Policies (continued)

Revaluation increments are credited directly to revaluation surplus, 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 net result, the increment is recognised immediately as revenue in the net result.

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

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

### (iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

### (v) Depreciation of property, plant and equipment

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 Commission.

All material separately identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset. The rates of depreciation, applied to relevant categories of assets are set out in the following table, have been reviewed and revised this financial year.

<b>Depreciation asset category</b>	<b>Rate (%)</b>
Computer Equipment	10.00 - 20.00
Plant and Equipment	9.00 - 33.00
Intangible Assets	10.00 - 33.00
Motor Vehicles	15.00

### (vi) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

### (vii) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and benefits.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

## 1. **Summary of Significant Accounting Policies (continued)**

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

### (viii) Intangible assets

The Commission recognises intangible assets only if it is probable that future economic benefits will flow to the Commission and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

**The useful lives of intangible assets are assessed to be finite.**

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the entity's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Commission's intangible assets are amortised using the straight line method over a period of 3 to 10 years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

### (ix) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. The Commission measures long-term receivables at nominal value, rather than at present value as the financial impact of discounting on the portion of the long-term receivables are not material. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

### (x) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets, carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

When an available-for-sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the net result of the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as "available-for-sale" must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

## 1. **Summary of Significant Accounting Policies (continued)**

### (j) Liabilities

#### (i) Payables

These amounts represent liabilities for goods and services provided to the Commission and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

#### (ii) Borrowings

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the net result for the year on de-recognition.

The finance lease liability is determined in accordance with AASB 117 *Leases*.

#### (iii) Employee benefits and other provisions

##### (a) Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits), and paid sick leave that are due to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Commission has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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

##### (b) Long service leave and superannuation

The Commission's liabilities for long service leave and defined benefit 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 benefits and other liabilities'.

Long service leave is measured on a present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 14/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by 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.

## 1. **Summary of Significant Accounting Policies (continued)**

### (c) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

### (k) Fair value hierarchy

A number of the Commission's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Under AASB 13, the Commission categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices in active markets for identical assets/ liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 - inputs that are not based on observable market data (unobservable inputs).

The Commission recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer Note 10 and Note 21 for further disclosures regarding fair value measurements of financial and non-financial assets.

### (l) Equity and reserves

#### (i) Accumulated funds

The category "Accumulated Funds" includes all current and prior period retained funds.

- #### (ii) Separate reserve accounts
- Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (e.g. revaluation surplus and foreign currency translation reserve).

### (m) Equity transfers

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector entities and 'equity appropriations' (refer Note 1 (h) (i)) are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to the below, in most instances this will approximate fair value.

All other equity transfers are recognisable at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the entity recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the agency does not recognise that asset.

### (n) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

## 1. Summary of Significant Accounting Policies (continued)

### (o) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

### (p) Changes in accounting policy, including new or revised Australian Accounting Standards

#### (i) Effective for the first time in 2013-14

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except AASB 13 *Fair Value Measurement* and AASB 119 *Employee Benefits* that have been applied for the first time in 2013-14. The Commission anticipates that the adoption of these standards in the period of initial application will have no material impact on the financial statements.

#### (ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective.

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 10 *Consolidated Financial Statements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 127 *Separate Financial Statements*
- AASB 1031 *Materiality*
- AASB 1055 and AASB 2013-1 regarding budgetary reporting
- AASB 2011-7 regarding consolidation and joint arrangements
- AASB 2012-3 regarding offsetting financial assets and financial liabilities
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-6 regarding Reduced Disclosure Requirements
- AASB 2013-8 regarding Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities
- AASB 2013-9 regarding the Conceptual Framework, Materiality and Financial Instruments (Parts B and C).

The possible impact of these Standards in the period of initial application are not expected to materially impact the financial statements.

## 2. Expenses Excluding Losses

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
(a) Employee related expenses				
Salaries and wages (including recreation leave)	14,220	12,118	-	-
Superannuation - defined benefit plans	126	137	-	-
Superannuation - defined contribution plans	1,126	967	-	-
Long service leave	692	277	-	-
Workers' compensation insurance	72	42	-	-
Payroll tax and fringe benefit tax	886	740	-	-
Other	97	59	-	-
	<u>17,219</u>	<u>14,340</u>	-	-

## 2. Expenses Excluding Losses (continued)

		<u>Statutory</u>	
		<u>Corporation</u>	
		<u>2014</u>	<u>2013</u>
		<u>\$'000</u>	<u>\$'000</u>

(b) Other operating expenses include the following:

Auditor's remuneration				
- audit of the financial statements	40	38	40	38
Operating lease rental expense				
- minimum lease payments	1,435	1,435	1,435	1,435
Maintenance*	117	89	117	89
Insurance	4	6	4	6
Consultants	30	-	30	-
Office utilities	351	350	351	350
Office supplies	1,560	1,498	1,560	1,498
Computer services	330	117	330	117
Travel expenses	73	50	73	50
Motor vehicle expenses	83	96	83	96
Service and legal fees	1,092	977	1,092	977
Other	223	199	223	199
	<u>5,338</u>	<u>4,855</u>	<u>5,338</u>	<u>4,855</u>

\* Reconciliation - Total Maintenance

Maintenance expense - contracted labour and other (non-employee related), as above	117	89	73	89
Personnel services maintenance expense included in Note 2(a)	45	44	-	-
Total maintenance expenses included in Note 2(a) and 2(b)	<u>162</u>	<u>133</u>	<u>73</u>	<u>89</u>

(c) Personnel services

NSW Crime Commission Staff Agency	-	-	16,466	-
NSW Crime Commission Division	-	-	-	13,651
Office of NSW Crime Commission	-	-	-	290
	<u>-</u>	<u>-</u>	<u>16,466</u>	<u>13,941</u>

(d) Depreciation and amortisation expense

Depreciation				
- Plant and equipment	87	83	87	83
- Computer equipment	301	378	301	378
- Motor vehicles	19	19	19	19
	<u>407</u>	<u>480</u>	<u>407</u>	<u>480</u>
Amortisation	316	323	316	323
Total Depreciation and amortisation	<u>723</u>	<u>803</u>	<u>723</u>	<u>803</u>

## 3. Revenues

(a) Investment revenue

Interest revenue from financial assets not at fair value through profit and loss	95	159	95	159
	<u>95</u>	<u>159</u>	<u>95</u>	<u>159</u>

(b) Grants and contributions

Recurrent grants	21,130	19,050	21,130	19,050
Capital grants	4,299	630	4,299	630
	<u>25,429</u>	<u>19,680</u>	<u>25,429</u>	<u>19,680</u>

### 3. Revenues (continued)

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000

- (c) Acceptance by the crown entity of employee benefits and other liabilities

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

Superannuation - defined benefit	126	137	-	-
Long service leave	620	255	-	-
Payroll tax	7	7	-	-
	<u>753</u>	<u>399</u>	<u>-</u>	<u>-</u>

- (d) Other revenue  
Miscellaneous income

	55	59	55	59
	<u>55</u>	<u>59</u>	<u>55</u>	<u>59</u>

### 4. Gain / (Loss) on Disposal

Written down value of assets sold/scrapped	(2)	(36)	(2)	(36)
Proceeds from disposal	1	23	1	23
	<u>(1)</u>	<u>(13)</u>	<u>(1)</u>	<u>(13)</u>

### 5. Current Assets - Cash and Cash Equivalents

Cash at bank and on hand	2,634	3,100	2,634	3,100
	<u>2,634</u>	<u>3,100</u>	<u>2,634</u>	<u>3,100</u>

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

Cash and cash equivalents (per Statement of Financial Position)	2,634	3,100	2,634	3,100
Closing cash and cash equivalents (per Statement of Cash Flows)	<u>2,634</u>	<u>3,100</u>	<u>2,634</u>	<u>3,100</u>

Refer note 21 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

### 6. Current Assets - Receivables

Professional costs to be recovered	9	7	9	7
Interest receivable	46	44	46	44
Operational expenses to be recouped	54	123	54	123
Employee debtors	210	177	-	-
Other debtors	254	43	254	43
Prepayments	411	274	411	269
	<u>984</u>	<u>668</u>	<u>774</u>	<u>486</u>

Details regarding credit risk, liquidity risk and market risk including financial assets that are either due or impaired, are disclosed in Note 21.

7. **Non-Current Assets - Receivables**

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Professional Costs to be recovered	124	123	124	123
Employee Debtors	67	316	-	-
	<u>191</u>	<u>439</u>	<u>124</u>	<u>123</u>

8. **Non-Current Assets - Property, Plant & Equipment**

	<u>Consolidated</u>			<u>Statutory Corporation</u>		
	Land and buildings	Plant and equipment	Total	Land and buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2013 - fair value</b>						
Gross carrying amount	71	7,326	7,397	71	7,326	7,397
Accumulated depreciation	-	(5,785)	(5,785)	-	(5,785)	(5,785)
Net carrying amount	<u>71</u>	<u>1,541</u>	<u>1,612</u>	<u>71</u>	<u>1,541</u>	<u>1,612</u>

**At 30 June 2014 - fair value**

Gross carrying amount	111	7,983	8,094	111	7,983	8,094
Accumulated depreciation	-	(5,632)	(5,632)	-	(5,632)	(5,632)
Net carrying amount	<u>111</u>	<u>2,351</u>	<u>2,462</u>	<u>111</u>	<u>2,351</u>	<u>2,462</u>

**Reconciliation**

A reconciliation of the carrying amount of each class of property, plant & equipment at the beginning and end of the previous reporting period is set out below:

	Land and buildings	Plant and equipment	Total	Land and buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2014</b>						
Net carrying amount at start of year	71	1,541	1,612	71	1,541	1,612
Additions	40	1,219	1,259	40	1,219	1,259
Disposals	-	(2)	(2)	-	(2)	(2)
Depreciation expense	-	(407)	(407)	-	(407)	(407)
Net carrying amount at end of year	<u>111</u>	<u>2,351</u>	<u>2,462</u>	<u>111</u>	<u>2,351</u>	<u>2,462</u>

8. **Non-Current Assets - Property, Plant & Equipment (continued)**

	<u>Consolidated</u>			<u>Statutory Corporation</u>		
	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
<b>At 1 July 2012 - fair value</b>						
Gross carrying amount	-	7,526	7,526	-	7,526	7,526
Accumulated depreciation	-	(5,710)	(5,710)	-	(5,710)	(5,710)
Net carrying amount	-	1,816	1,816	-	1,816	1,816
<b>At 30 June 2013 - fair value</b>						
Gross carrying amount	71	7,326	7,397	71	7,326	7,397
Accumulated depreciation	-	(5,785)	(5,785)	-	(5,785)	(5,785)
Net carrying amount	71	1,541	1,612	71	1,541	1,612

**Reconciliation**

A reconciliation of the carrying amount of each class of property, plant & equipment at the beginning and end of the previous reporting period is set out below:

	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
	<b>Year ended 30 June 2013</b>					
Net carrying amount at start of year	-	1,816	1,816	-	1,816	1,816
Additions	71	241	312	71	241	312
Disposals	-	(36)	(36)	-	(36)	(36)
Depreciation expense	-	(480)	(480)	-	(480)	(480)
Net carrying amount at end of year	71	1,541	1,612	71	1,541	1,612

9. **Intangible Assets**

	<u>Consolidated</u>	<u>Statutory Corporation</u>
	Total \$'000	Total \$'000
<b>At 1 July 2013</b>		
Cost (gross carrying amount)	2,836	2,836
Accumulated amortisation and impairment	(1,779)	(1,779)
Net carrying amount	1,057	1,057
<b>At 30 June 2014</b>		
Cost (gross carrying amount)	5,844	5,844
Accumulated amortisation and impairment	(2,063)	(2,063)
Net carrying amount	3,781	3,781
<b>Year ended 30 June 2014</b>		
Net carrying amount at start of year	1,057	1,057
Additions	3,040	3,040
Disposals	-	-
Amortisation (recognised in "depreciation and amortisation")	(316)	(316)
Net carrying amount at end of year	3,781	3,781

9. **Intangible Assets (continued)**

	<u>Consolidated</u>	<u>Statutory Corporation</u>
	Total	Total
	\$'000	\$'000
<b>At 1 July 2012</b>		
Cost (gross carrying amount)	2,519	2,519
Accumulated amortisation and impairment	(1,457)	(1,457)
Net carrying amount	1,062	1,062
<b>At 30 June 2013</b>		
Cost (gross carrying amount)	2,836	2,836
Accumulated amortisation and impairment	(1,779)	(1,779)
Net carrying amount	1,057	1,057
<b>Year ended 30 June 2013</b>		
Net carrying amount at start of year	1,062	1,062
Additions	318	318
Disposals	-	-
Amortisation (recognised in "depreciation and amortisation")	(323)	(323)
Net carrying amount at end of year	1,057	1,057

10. **Fair value measurement of non-financial assets**

(a) **Fair value hierarchy**

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	fair value
<b>Property, plant and equipment (Note 8)</b>				
Land and buildings	-	111	-	111
Plant and equipment	-	2,351	-	2,351
	-	2,462	-	2,462

There were no transfers between Level 1 or 2 during this period.

(b) **Valuation techniques, inputs and processes**

The level 2 land and buildings and plant and equipment are carried at depreciated historical cost. In general, for these assets, the carrying value is unlikely to be materially different from the fair value. The Commission assess each class of property, plant and equipment internally every year to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last review was completed in February 2014.

11. **Current Liabilities - Payables**

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Accrued salaries, wages and on-costs	455	374	-	-
Creditors	168	259	168	259
Accrued other operating expenses	288	157	288	157
	911	790	456	416

12. **Current Liabilities - Borrowings**

**Unsecured**

Finance leases (see Note 16(c))	210	177	-	-
	210	177	-	-

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 21.

### 13. Current Liabilities - Provisions

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Employee benefits and related on-costs</b>				
Provision for personnel services	-	-	2,208	1,902
Recreation leave	1,271	1,124	-	-
Long service leave on-costs	458	387	-	-
<b>Total provisions</b>	<b>1,729</b>	<b>1,511</b>	<b>2,208</b>	<b>1,902</b>

### 14. Non-Current Liabilities - Provisions

#### Employee benefits and related on-costs

Long service leave on-costs	24	22	-	-
<b>Total provisions</b>	<b>24</b>	<b>22</b>	<b>-</b>	<b>-</b>

#### Aggregate employee benefits and related on-costs

Provisions - current	1,729	1,511	-	-
Provisions - non-current	24	22	-	-
Accrued salaries, wages and on-costs (Note 11)	455	374	-	-
	<b>2,208</b>	<b>1,907</b>	<b>-</b>	<b>-</b>

### 15. Non-Current Liabilities - Borrowings

#### Unsecured

Finance leases (see Note 16 (c))	67	316	-	-
	<b>67</b>	<b>316</b>	<b>-</b>	<b>-</b>

### 16. Commitments for Expenditure

#### (a) Capital Commitments

Aggregate capital expenditure for the acquisition of computer related items contracted for at balance date and not provided for:

Not late than one year	891	1	891	1
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	<b>891</b>	<b>1</b>	<b>891</b>	<b>1</b>

The above capital commitments included the GST amount of \$81,039 (\$106 as at 30 June 2013) which would be recoverable from the Australian Taxation Office.

#### (b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

Not late than one year	1,648	1,648	1,648	1,648
Later than one year and not later than five years	6,594	6,594	6,594	6,594
Later than five years	8,242	9,890	8,242	9,890
Total (including GST)	<b>16,484</b>	<b>18,132</b>	<b>16,484</b>	<b>18,132</b>

## 16. Commitments for Expenditure (continued)

Note:

- (i) 453 Kent Street was leased back from the State Property Authority to the Commission 1 July 2009.
- (ii) The above operating lease commitments included the GST amount of \$1,498,550 (\$1,648,405 as at 30 June 2013) which would be recoverable from the Australian Taxation Office.

### (c) Finance Lease Commitments

The Commission has a master finance lease with Westpac Bank relating to the leasing of motor vehicles on behalf of certain employees for salary packages. These leases are entered into pursuant to a contract with the employee, wherein the employee fully indemnifies the Commission in relation to any costs and liabilities. These leases have been disclosed to Treasury and the Commission has approval under the *Public Authorities (Financial Arrangements) Act 1987*.

Minimum lease payment commitments in relation to finance leases payable as follows:

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Not later than one year	210	177	-	-
Later than one year and not later than five years	67	316	-	-
Minimum lease payments	277	493	-	-
Less: future finance charges	(14)	(41)	-	-
Present value of minimum lease payments	263	452	-	-

The present value of finance lease commitments is as follows:

Not later than one year	210	177	-	-
Later than one year and not later than five years	67	316	-	-
	277	493	-	-
Classified as:				
Current (Note 12)	210	177	-	-
Non-current (Note 15)	67	316	-	-
	277	493	-	-

There were no material 'Other Expenditure Commitments' at year end.

## 17. Contingent Liabilities and Contingent Assets

### Contingent Liabilities

The Commission commences proceedings under the *Criminal Assets Recovery Act 1990* (the CAR Act). The CAR Act provides the confiscation of the assets of those involved in serious crime related activity through civil proceedings in the Supreme Court. In commencing these proceedings the Commission usually gives an undertaking as to damages in respect of property restrained.

There are a few claims for costs against the Commission arising out of litigation. If the defendants are successful, the costs are yet to be formally assessed and at balance date cannot be reliably quantified in relation to these matters.

The Commission is aware of a potential contingent liability in regards to an employee's superannuation. The amount of the exposure, if there is a liability, is currently under assessment.

### Contingent Assets

The Commission is not aware of any contingent asset that will materially affect its financial position as at the reporting date.

## 18. Budget Review

### Net result

The actual net result was higher than the budget by \$0.15 million, primarily due to the increase of employee related expenses of \$0.42 million compared to the budget and the decrease of grants and contributions of \$0.30 million. The increase of employee relate expenses was mainly due to the adjustment for the long service leave actuarial assessment of \$0.34 million. The capital grant was underspent by \$0.19 million. The amount will be rolled over to the next financial year.

### Assets and liabilities

Total current assets increased by \$0.64 million compared to budget, mainly due to the increase in cash and cash equivalents of \$0.26 million and the increase in receivables of \$0.38 million. Total non-current assets were higher than the budget by \$0.14 million was mainly due to the increase of plant and equipment of \$0.47 million.

### Cash flows

The Commission's actual net cash flows from operating activities was lower than the budget by \$0.36 million. This was mainly due to the other payments were higher than the budget by \$0.61 million.

## 19. Reconciliation of Cash Flows from Operating Activities to Net Result

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Net cash used on operating activities	4,048	1,536	3,832	1,270
Depreciation & amortisation	(723)	(803)	(723)	(803)
Adjustment for salary packaged vehicle lease	(216)	(266)	-	-
(Increase) in provisions	(220)	(241)	(306)	(223)
Increase in receivables and other assets	68	156	289	81
Decrease / (increase) in borrowings	216	(70)	-	-
(Increase) in creditors	(121)	(13)	(40)	(26)
Net (loss) on sale of plant and equipment	(1)	(13)	(1)	(13)
Net result	<u>3,051</u>	<u>286</u>	<u>3,051</u>	<u>286</u>

## 20. Administered Assets

### Administered Assets

During the course of its operations in criminal investigations and confiscation action, funds come into the hands of the Commission in respect of which there is no clear position as to its title or disposition. These funds are paid into an Escrow account pending determination of such issues. The account is interest bearing and it is reconciled as to principal and interest on a regular basis. The balance of the account is not treated as an asset of the Commission. The funds are administered by the NSW Trustee and Guardian. An amount of \$1,385,916 was being held on behalf of the NSW Crime Commission as at 30 June 2014 (\$1,547,460 as at 30 June 2013).

## 21. Financial Instruments

The Commission's principal financial instruments are outlined below. These financial instruments arise directly from the Commission's operations or are required to finance the Commission's operations. The Commission does not enter into or trade financial instruments for speculative purposes. The Commission does not use financial derivatives.

The Commission's main risks arising from financial instruments are outlined below, together with the Commission's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these Financial Statements.

The Management Team has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Commission, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Internal Audit Committee on a continuous basis.

### (a) Financial instrument categories

<b>Financial Assets</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount</b>	<b>Carrying Amount</b>
			<b>2014</b>	<b>2013</b>
<b>Class:</b>			<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	5	N/A	2,634	3,100
Receivables <sup>1</sup>	6 & 7	Loans and receivables at amortised cost	464	746

<b>Financial Liabilities</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount</b>	<b>Carrying Amount</b>
			<b>2014</b>	<b>2013</b>
<b>Class:</b>			<b>\$'000</b>	<b>\$'000</b>
Payables <sup>2</sup>	11	Financial liabilities measured at amortised cost	911	780
Borrowings	12 & 15	Financial liabilities measured at amortised cost	277	493

Notes:

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

### (b) Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Commission. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). Credit risk arises from the financial assets of the Commission, including cash and receivables. No collateral is held by the Commission. The Commission has not granted any financial guarantees. Credit risk associated with the Commission's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

#### Cash

Cash comprises cash on hand and bank balances within the NSW 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 NSW Treasury.

## 21. Financial Instruments (continued)

### Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Commission will not be able to collect all amounts due. This evidence includes past experience, and current expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2014: \$51,062; 2013: \$47,587) and less than 3 months past due (2014: nil; 2013: \$26,979) are not considered impaired. Together, these represent 34% of the total trade debtors. No provision for doubtful debts have been made as all amounts are considered to be collectable.

	\$'000		
	Total <sup>1,2</sup>	Past due but not impaired <sup>1,2</sup>	Considered impaired <sup>1,2</sup>
<b>2014</b>			
< 3 months overdue	-	-	-
3 - 6 months overdue	2	-	-
> 6 months overdue	134	134	-
<b>2013</b>			
< 3 months overdue	6	6	-
3 - 6 months overdue	22	22	-
> 6 months overdue	123	123	-

Notes:

1. Each column in the table reports "gross receivables"
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore the "total" will not reconcile to the receivables total recognised in the statement of financial position.

### (c) Liquidity risk

Liquidity risk is the risk that the Commission will be unable to meet its payment obligations when they fall due. The Commission continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior year, there were no defaults on any loans payable. No assets have been pledged as collateral. The Commission's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. 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 NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, 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. For small business suppliers where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

## 21. Financial Instruments (continued)

The table below summarises the maturity profile of the Commission's financial liabilities, together the interest rate exposure.

### Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Nominal Amount	\$'000			Maturity Dates		
			Interest Rate Exposure			<1 yr	1-5 yrs	>5 yrs
			Fixed Interest Rate	Variable Interest Rate	Non- interest Bearing			
<b>2014</b>								
<i>Payables</i>		168	-	-	168	168	-	-
<i>Borrowings</i>								
Finance leases	5%	277	-	-	277	210	67	-
		445	-	-	445	378	67	-
<b>2013</b>								
<i>Payables</i>		259	-	-	259	259	-	-
<i>Borrowings</i>								
Finance leases	8%	493	-	-	493	177	316	-
		752	-	-	752	436	316	-

Notes:

- The amounts disclosed are the contractual undiscounted cash flows of each class of the financial liabilities and therefore will not reconcile to the statement of financial position.

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Commission's exposures to market risk are primarily through interest rate risk on the Commission's borrowings. The Commission has no exposure to foreign currency risk and does not enter into commodity contracts.

#### Interest rate risk

Exposure to interest rate risk arises primarily through the Commission's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings. The Commission does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Commission's exposure to interest rate risk is set out below.

	Carrying Amount	\$'000			
		-1% Profit	-1% Equity	1% Profit	1% Equity
<b>2014</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	2,634	(26)	(26)	26	26
<i>Financial liabilities</i>					
Borrowings	277	(3)	(3)	3	3
<b>2013</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	3,100	(31)	(31)	31	31
<i>Financial liabilities</i>					
Borrowings	493	(5)	(5)	5	5

## **21. Financial Instruments (continued)**

### **(e) Fair value**

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates fair value, because of the short term nature of many of the financial instruments.

## **22. Events after the Reporting Period**

There have been no significant events after the reporting period which would materially affect these financial statements.

**End of audited financial statements**

**NEW SOUTH WALES CRIME COMMISSION STAFF AGENCY  
(Special Purpose Service Entity)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**New South Wales Crime Commission Staff Agency**

**Financial Statements for the  
Year Ended 30 June 2014**

**STATEMENT BY COMMISSIONER**

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

- (a) The accompanying financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Financial Reporting Code for NSW General Government Sector Entities, the Public Finance and Audit Regulation 2010, the Treasurer's Directions and applicable Australian Accounting Standards (which include Australian Accounting Interpretations).
- (b) The statements present a true and fair view of the financial position as at 30 June 2014 and transactions of the New South Wales Crime Commission Staff Agency for the year then ended.
- (c) There are no circumstances that would render any particulars included in the Financial Statements misleading or inaccurate.



Peter Singleton  
Acting Commissioner



Kelly Yeung  
Finance Manager

Dated: 19 September 2014



## INDEPENDENT AUDITOR'S REPORT

### New South Wales Crime Commission Staff Agency

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the New South Wales Crime Commission Staff Agency (the Staff Agency), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information.

### Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Staff Agency as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

### Commissioner's Responsibility for the Financial Statements

The Commissioner is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Commissioner determines is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Staff Agency's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Staff Agency's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Staff Agency
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



David Nolan  
Director, Financial Services

19 September 2014  
SYDNEY

Start of audited financial statements

**NEW SOUTH WALES CRIME COMMISSION STAFF AGENCY**  
**Statement of comprehensive income for the year ended 30 June 2014**

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
<b>Expenses excluding losses</b>			
Employee related	2	17,219	339
<b>TOTAL EXPENSES EXCLUDING LOSSES</b>		<b>17,219</b>	<b>339</b>
<b>Revenue</b>			
Personnel Services - NSW Crime Commission	3	16,466	290
Other	3	753	49
<b>Total revenue</b>		<b>17,219</b>	<b>339</b>
<b>Other comprehensive income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

**NEW SOUTH WALES CRIME COMMISSION STAFF AGENCY**  
**Statement of financial position as at 30 June 2014**

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Receivables	4	2,418	92
<b>Total Current Assets</b>		<b>2,418</b>	<b>92</b>
<b>Non-Current Assets</b>			
Receivables	5	67	-
<b>Total Non-Current Assets</b>		<b>67</b>	<b>-</b>
<b>Total Assets</b>		<b>2,485</b>	<b>92</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6	455	7
Borrowings	7	210	-
Provisions	8	1,729	85
<b>Total Current Liabilities</b>		<b>2,394</b>	<b>92</b>
<b>Non-Current Liabilities</b>			
Borrowings	10	67	-
Provisions	9	24	-
<b>Total Non-Current Liabilities</b>		<b>91</b>	<b>-</b>
<b>Total Liabilities</b>		<b>2,485</b>	<b>92</b>
<b>Net Assets</b>		<b>-</b>	<b>-</b>
<b>EQUITY</b>			
Accumulated funds		-	-
<b>Total Equity</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

**NEW SOUTH WALES CRIME COMMISSION STAFF AGENCY**  
**Statement of changes in equity for the year ended 30 June 2014**

	<b>Actual</b>	<b>Actual</b>
	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2013</b>	-	-
<b>Net result for the year</b>	-	-
<b>Other comprehensive income:</b>	-	-
<b>Total other comprehensive income</b>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>
<b>Transactions with owners in their capacity as owners</b>		
Increase / (decrease) in net assets from equity transfers	-	-
<b>Balance at 30 June 2014</b>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Balance at 1 July 2012</b>	-	-
<b>Net result for the year</b>	-	-
<b>Other comprehensive income:</b>	-	-
<b>Total other comprehensive income</b>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>
<b>Transactions with owners in their capacity as owners</b>		
Increase / (decrease) in net assets from equity transfers	-	-
<b>Balance at 30 June 2013</b>	<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

**NEW SOUTH WALES CRIME COMMISSION STAFF AGENCY**  
**Statement of cash flows for the year ended 30 June 2014**

	<b>Actual</b>	<b>Actual</b>
	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Employee related	17,219	339
<b>Total Payments</b>	<u>17,219</u>	<u>339</u>
<b>Receipts</b>		
Cash reimbursements from the Crown Entity	753	49
Other	16,466	290
<b>Total Receipts</b>	<u>17,219</u>	<u>339</u>
 <b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	 <u>-</u>	 <u>-</u>
<b>CASH FLOWS FROM INVESTING</b>	-	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
 <b>NET INCREASE/(DECREASE) IN CASH</b>	 -	 -
Opening cash and cash equivalents	-	-
 <b>CLOSING CASH AND CASH EQUIVALENTS</b>	 <u>-</u>	 <u>-</u>

The accompanying notes form part of these financial statements.

## 1. **Summary of Significant Accounting Policies**

### (a) Reporting entity

The New South Wales Crime Commission Staff Agency (the Staff Agency) is a division of the Government Service, established pursuant to the *Government Sector Employment Act 2013*. It is a not-for-profit entity (as profit is not its principal objective). It is consolidated as part of the New South Wales Crime Commission's accounts. It is domiciled in Australia and its principal office is 453 - 463 Kent Street, Sydney.

The New South Wales Crime Commission Staff Agency is a controlled entity of the New South Wales Crime Commission.

The New South Wales Crime Commission Staff Agency's objective is to provide personnel services to the New South Wales Crime Commission.

The New South Wales Crime Commission Staff Agency commenced operations on 24 February 2014 when it assumed the responsibilities for employees and employee-related liabilities of the Office of New South Wales Crime Commission and New South Wales Crime Commission Division pursuant to the *Government Sector Employment Act 2013*. The information provided in these financial statements is collected from the Office of the New South Wales Crime Commission and NSW Crime Commission Division up to and including the 28 February 2014 as there was no significant impact on the Financial Statements for any of the New South Wales Crime Commission controlled entities between the 24 February 2014 and 28 February 2014.

The financial statement for the year ending 30 June 2014 was authorised for issue by the Commissioner on 19 September 2014.

### (b) Basis of preparation

The Staff Agency's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010* and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial statement does not take into account changing money values or current valuations. However, certain provisions are measured at fair value. See notes 8 and 9.

The accrual basis of accounting has been adopted in the preparation of the financial statements, except for cash flow information.

Judgements, key assumptions and estimates are disclosed in the relevant notes to the financial statements.

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

### (c) Income recognition

Income is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

### (d) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost, or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

## 1. **Summary of Significant Accounting Policies (continued)**

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

### (e) Payables

Payables include accrued wages, salaries and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is no certainty as the amount and timing of settlement.

Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

### (f) Employee benefits and other provisions

As a result of the *Government Sector Employment Act 2013*, the Staff Agency is responsible for the employees and employee-related liabilities of the New South Wales Crime Commission.

#### (a) Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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 benefits accrued in the future.

#### (b) Long service leave and superannuation

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

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 14/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by 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 Stater Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

#### (c) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

## 1. **Summary of Significant Accounting Policies (continued)**

### (g) Leased assets

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

### (h) Comparative information

Except when an Australian Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

### (i) Changes in accounting policy, including new or revised Australian Accounting Standards

#### (i) Effective for the first time in 2013-14

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except AASB 13 *Fair Value Measurement* AASB 119 *Employee Benefits* that have been applied for the first time in 2013-14. The Staff Agency anticipates that the adoption of these standards in the period of initial application will have no material impact on the financial statements.

#### (ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective.

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 10 *Consolidated Financial Statements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 127 *Separate Financial Statements*
- AASB 1031 *Materiality*
- AASB 2011-7 regarding consolidation and joint arrangements
- AASB 2012-3 regarding offsetting financial assets and financial liabilities
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-6 regarding Reduced Disclosure Requirements
- AASB 2013-8 regarding Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities
- AASB 2013-9 regarding the Conceptual Framework, Materiality and Financial Instruments (Parts B and C).

The possible impact of these Standards in the period of initial application are not expected to materially impact the financial statements.

	2014 \$'000	2013 \$'000
<b>2. Expenses</b>		
Employee related expenses	17,219	339
	<u>17,219</u>	<u>339</u>
<b>3. Revenues</b>		
Personnel Services - NSW Crime Commission	16,466	290
Other	753	49
	<u>17,219</u>	<u>339</u>
<b>4. Current Assets - Receivables</b>		
Employee Debtors	210	-
Prepayments	-	-
NSW Crime Commission	2,208	92
	<u>2,418</u>	<u>92</u>
<b>5. Non-Current Assets - Receivables</b>		
Employee Debtors	67	-
	<u>67</u>	<u>-</u>
<b>6. Current Liabilities - Payables</b>		
Accrued salaries, wages and on-costs	455	7
	<u>455</u>	<u>7</u>
<b>7. Current Liabilities - Borrowings</b>		
<b>Unsecured</b>		
Finance leases	210	-
	<u>210</u>	<u>-</u>
<b>8. Current Liabilities - Provisions</b>		
<b>Employee benefits and related on-costs</b>		
Recreation Leave	1,271	46
Long Service Leave on-costs	458	39
	<u>1,729</u>	<u>85</u>
<b>9. Non-Current Liabilities - Provisions</b>		
<b>Employee benefits and related on-costs</b>		
Long Service Leave on-costs	24	-
	<u>24</u>	<u>-</u>
<b>10. Non-Current Liabilities - Borrowings</b>		
<b>Unsecured</b>		
Finance leases	67	-
	<u>67</u>	<u>-</u>

## 11. *Commitments for Expenditure*

The Staff Agency has a master finance lease with Westpac Bank relating to the leasing of motor vehicles on behalf of certain employees for salary packages. These leases are entered into pursuant to a contract with the employee, wherein the employee fully indemnifies the Staff Agency in relation to any costs and liabilities. These leases have been disclosed to Treasury.

Minimum lease payment commitments in relation to finance leases payable as follows:

	2014 \$'000	2013 \$'000
<b>Finance Lease Commitments</b>		
Not later than one year	210	-
Later than one year and not later than five years	67	-
Minimum lease payments	<u>277</u>	-
Less: future finance charges	<u>(14)</u>	-
<b>Present value of minimum lease payments</b>	<u><u>263</u></u>	<u><u>-</u></u>

The present value of finance lease commitments is as follows:

Not later than one year	210	-
Later than one year and not later than five years	67	-
	<u>277</u>	<u>-</u>
Classified as:		
Current (Note 7)	210	-
Non current (Note 10)	67	-
	<u>277</u>	<u>-</u>

There are no capital, operating or other expenditure commitments at year end.

## 12. *Contingent Liabilities*

The Staff Agency is not aware of any contingent liabilities and contingent assets that will materially affect its financial position as at the reporting date (2013: nil).

## 13. *Financial Instruments*

The Staff Agency's principal financial instruments are outlined on the following page. These financial instruments arise directly from the Staff Agency's operations or are required to finance the Staff Agency's operations. The Staff Agency does not enter into or trade financial instruments for speculative purposes. The Staff Agency does not use financial derivatives.

The Staff Agency's main risks arising from financial instruments are outlined below, together with the Commission's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these Financial Statements.

The Management Team has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Staff Agency, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Internal Audit and Risk Committee on a continuous basis.

### 13. *Financial Instruments (continued)*

#### (a) **Financial instrument categories**

<b>Financial Assets</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount</b>	<b>Carrying Amount</b>
			<b>2014</b>	<b>2013</b>
			<b>\$'000</b>	<b>\$'000</b>
Receivables <sup>1</sup>	4 & 5	Loans and receivables at amortised cost	2,485	92

<b>Financial Assets</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount</b>	<b>Carrying Amount</b>
			<b>2014</b>	<b>2013</b>
			<b>\$'000</b>	<b>\$'000</b>
Payables <sup>2</sup>	6	Financial liabilities measured at amortised cost	455	7
Borrowings	7 & 10	Financial liabilities measured at amortised cost	277	-

#### *Notes*

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

#### (b) **Credit risk**

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Staff Agency. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). Credit risk arises from the financial assets of the Staff Agency, solely receivables. No collateral is held by the Staff Agency. The Staff Agency has not granted any financial guarantees as it is managed by the New South Wales Crime Commission. Credit risk associated with the Staff Agency's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

#### **Receivables - trade debtors**

Receivables are primarily from the NSW Crime Commission and Employee Debtors. As such, there is no credit risk or interest risk in relation to these balances. The carrying amount approximates fair value.

#### (c) **Liquidity risk**

Liquidity risk is the risk that the Staff Agency will be unable to meet its payment obligations when they fall due. All lease agreements which comprise the borrowings are held by the New South Wales Crime Commission and are not liable by the Staff Agency.

#### (d) **Market risk**

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Staff Agency has no exposure to market risk as the borrowings are held by the New South Wales Crime Commission.

#### (e) **Interest rate risk**

Exposure to interest rate risk arises primarily through the Staff Agency's interest bearing liabilities. The Staff Agency has no exposure to interest rate risk as the borrowings are held by the New South Wales Crime Commission.

### 14. *Events after the Reporting Period*

There have been no significant events after the reporting period, which would materially affect these financial statements.

#### **End of audited financial statements**

**END OF AUDITED FINANCIAL STATEMENTS**

# APPENDIX A: LAW ENFORCEMENT (POWERS AND RESPONSIBILITIES) ACT REPORT



## *Law Enforcement (Powers and Responsibilities) Act 2002*

Section 242A

### ANNUAL REPORT BY THE NEW SOUTH WALES CRIME COMMISSION

1 July 2013 – 30 June 2014

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Section 242A of the *Law Enforcement (Powers and Responsibilities) Act 2002* ('the Act') requires the Commissioner for the New South Wales Crime Commission ('the Commission') to report annually on the exercise of powers under Part 5 of the Act with respect to covert search warrants by staff members of the Commission. The report is to be provided within 4 months after each 30 June to the Minister for Police and the Attorney General and is to be tabled in each House of Parliament as soon as practicable after it is received by the Attorney General.

#### **1. Applications for Covert Search Warrants**

Paragraph 242A (3) (a) of the Act provides that the report is to specify the number of applications for covert search warrants made under Part 5 of the Act and the number of those applications that were granted.

The Commission made no such applications in 2013–2014.

#### **2. Applications for Telephone Covert Search Warrants**

Paragraph 242A (3) (b) of the Act provides that the report is to specify the number of applications for telephone covert search warrants and the number of those applications that were granted.

The Commission made no such applications in 2013–2014.

#### **3. Covert Search Warrants Executed**

Paragraph 242A (3) (c) of the Act provides that the report is to specify the number of covert search warrants executed.

The Commission did not execute any covert search warrants under the Act in 2013–2014.

#### **4. Seizures**

Paragraph 242A (3) (d) of the Act provides that the report is to specify the number of covert search warrants under which any things were seized.

The Commission did not seize any things under a covert search warrant under the Act in 2013–2014.

#### **5. Substitution of Things**

Paragraph 242A (3) (e) of the Act provides that the report is to specify the number of covert search warrants under which any things were placed in substitution for seized things.

The Commission did not place any things in substitution for things seized under a covert search warrant under the Act in 2013–2014.

#### **6. Return or Retrieval of Things**

Paragraph 242A (3) (f) of the Act provides that the report is to specify the number of covert search warrants under which any things were returned or retrieved.

The Commission did not return or retrieve any things under a covert search warrant under the Act in 2013–2014.

#### **7. Sections 75A and 75B Powers**

Paragraph 242A (3) (g) of the Act provides that the report is to specify the number of covert search warrants under which the powers mentioned in sections 75A and 75B of the Act were exercised.

The Commission did not exercise the powers mentioned in sections 75A and 75B under a covert search warrant under the Act in 2013–2014.

#### **8. Things Tested**

Paragraph 242A (3) (h) of the Act provides that the report is to specify the number of covert search warrants under which any things were tested.

The Commission did not test any things under a covert search warrant under the Act in 2013–2014.

#### **9. Arrests**

Paragraph 242A (3) (i) of the Act provides that the report is to specify the number of arrests made in connection with searchable offences in respect of which covert search warrants were executed and the number of those arrests that have led to the laying of charges in relation to the searchable offences concerned.

The Commission made no such arrests, and made no arrests that have led to the laying of charges in relation to searchable offences, in 2013–2014.

## **10. Complaints**

Paragraph 242A (3) (j) of the Act requires the Commission to specify the number of complaints that were made under any Act about conduct relating to the execution of a covert search warrant by an executing officer and the number of those complaints that are, or have been, the subject of an investigation under any Act.

No such complaints were made, and no complaints are or have been the subject of an investigation under any Act, in 2013–2014.

## **11. Other Matters**

Paragraph 242A (3) (k) of the Act requires the Commission to specify any other matters requested by the Minister for Police or the Attorney General.

The Commission has received no requests made under this provision in 2013–2014.



.....  
Peter Singleton  
Acting Commissioner  
10 September 2014

## APPENDIX B: LAW ENFORCEMENT AND NATIONAL SECURITY (ASSUMED IDENTITIES) ACT REPORT



### *Law Enforcement and National Security (Assumed Identities) Act 2010*

Section 35

## ANNUAL REPORT BY THE NEW SOUTH WALES CRIME COMMISSION

1 July 2013 – 30 June 2014

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Section 35 of the *Law Enforcement and National Security (Assumed Identities) Act 2010* ('the Act') requires the Commissioner for the New South Wales Crime Commission ('the Commission') to report annually on authorities for assumed identities. The report is to be provided to the Minister as soon as practicable after the end of each financial year.

### **1. Authorities Granted and Authorities Cancelled**

Paragraph 35 (1) (a) of the Act provides that the report is to specify the number of authorities granted, and the number of authorities cancelled, during the year.

The Commission was not granted any authorities and two authorities were cancelled under the Act in 2013–2014.

### **2. Description of Activities Undertaken**

Paragraph 35 (1) (b) of the Act provides that the report is to contain a general description of the activities undertaken by authorised persons when using assumed identities under the Act during the year.

The nature of the activities undertaken by the Commission's assumed identities ranges from the operation of covert bank accounts to the operation of covert vehicles, all of which provided anonymity for the Commission in relation to criminal investigations.

### **3. Applications Refused**

Paragraph 35 (1) (c) of the Act provides that the report is to specify the number of applications for authorities that were refused during the year.

The Commission had no refused applications under the Act in 2013–2014.

### **4. Fraud or Unlawful Activity**

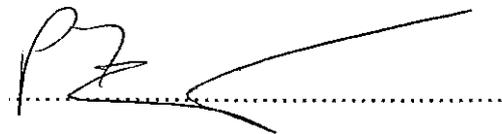
Paragraph 35 (1) (d) of the Act provides that the report is to contain a statement as to whether or not any fraud or other unlawful activity was identified by an audit conducted under section 37 of the Act during the year.

The Commission engaged an outsourced agency to conduct a review of the Commission's use of assumed identities. This review incorporated an audit pursuant to section 37 of the Act and did not identify any instances of fraud or unlawful activity in 2013–2014.

### **5. Other Information**

Paragraph 35 (1) (e) of the Act requires the Commission to specify any other information relating to authorities and assumed identities and the administration of the Act that the Minister considers appropriate.

The Commission has no other information to report pursuant to this provision in 2013–2014.

A handwritten signature in black ink, appearing to read 'P Singleton', is written over a horizontal dotted line. The signature is stylized and extends to the right of the line.

Peter Singleton  
Acting Commissioner  
10 September 2014

## APPENDIX C: SURVEILLANCE DEVICES ACT REPORT



### *Surveillance Devices Act 2007*

Subsection 45 (3)

## ANNUAL REPORT BY THE NEW SOUTH WALES CRIME COMMISSION

1 July 2013 – 30 June 2014

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Pursuant to subsection 45 (1) of the *Surveillance Devices Act 2007* ('the Act'), the Attorney General is to prepare a report as soon as practicable after the end of each financial year, and in any event within 3 months after the end of the financial year, that includes the information sought in paragraphs 45 (1) (a)–(c) of the Act.

Subsection 45 (3) of the Act provides that the Attorney General may require the chief officer of a law enforcement agency, including the New South Wales Crime Commission ('the Commission'), to furnish such information relating to the use of surveillance devices by law enforcement officers of the agency as is necessary to enable the Attorney General to prepare the report.

### **1. Applications for Warrants**

Paragraph 45 (1) (a) of the Act provides that the annual report is to specify the number of applications for warrants by, and the number of warrants issued to, law enforcement officers during the financial year concerned.

The Commission made 56 applications for warrants by, and 142 warrants issued to, law enforcement officers in 2013–2014. This information has been presented in Table 1 below.

### **2. Applications for Emergency Authorisations**

Paragraph 45 (1) (b) of the Act provides that the annual report is to specify the number of applications for emergency authorisations by, and the number of emergency authorisations given to, law enforcement officers during the financial year concerned.

The Commission made 2 applications for emergency authorisations by, and 2 emergency authorisations given to, law enforcement officers during 2013–2014. This information has been presented in Table 2 below.

### **3. Remote Applications**

Paragraph 45 (1) (b1) of the Act provides that the annual report is to specify the number of remote applications made by law enforcement officers during the financial year concerned for surveillance device warrants to be issued in this jurisdiction and executed in a participating jurisdiction.

The Commission did not make any such remote applications in 2013–2014. This information has been presented in Table 3 below.

### **4. Refused Applications**

Paragraph 45 (1) (b2) of the Act provides that the annual report is to specify the number of applications made by law enforcement officers for surveillance device warrants to be issued in this jurisdiction and executed in a participating jurisdiction that were refused during the financial year concerned and the reasons for refusal.

The Commission did not make any such applications that were refused in 2013–2014 and, as such, there are no reasons for refusal about which to particularize. This information has been presented in Table 4 below.

### **5. Applications for Extensions**

Paragraph 45 (1) (b3) of the Act provides that the annual report is to specify the number of applications for extensions of surveillance device warrants issued in this jurisdiction and executed in a participating jurisdiction, made by law enforcement officers during the financial year concerned, the number of extensions granted or refused and the reason why they were granted or refused.

The Commission did not make any such applications that were granted or refused in 2013–2014 and as such there are no reasons for the granting or refusal to particularize. This information has been presented in Table 5 below.

### **6. Number of Arrests**

Paragraph 45 (1) (b4) of the Act provides that the annual report is to specify the number of arrests made by law enforcement officers during the financial year concerned on the basis (wholly or partly) of information obtained by the use of a surveillance device under a surveillance device warrant or emergency authorisation issued in this jurisdiction and executed in a participating jurisdiction.

The Commission did not make any such arrests in 2013–2014.

### **7. Number of Prosecutions**

Paragraph 45 (1) (b5) of the Act provides that the annual report is to specify the number of prosecutions that were commenced in this jurisdiction during the financial year concerned in which information obtained by the use of a surveillance device under a surveillance device warrant or emergency authorisation issued in this jurisdiction and executed in a participating jurisdiction was given in evidence, and the number of those prosecutions in which a person was found guilty.

To the best of the Commission’s knowledge, no such prosecutions were commenced in 2013–2014.

**8. Other Information**

Paragraph 45 (1) (c) of the Act provides that the annual report is to specify any other information relating to the use of surveillance devices and the administration of the Act that the Attorney General considers appropriate.

The Commission did not receive any request for other information from the Attorney General that is considered appropriate in 2013–2014.

**9. Warrants Issued and Emergency Authorisations Given by Device Type**

Subsection 45 (2) of the Act requires that the information referred to in paragraphs 45 (1) (a)–(b3) of the Act must be presented in such a way as to identify the number of warrants issued and emergency authorisations given in respect of each different kind of surveillance device.

This information has been presented in Table 1, Table 2, Table 3, Table 4 and Table 5 below.

**Table 1: Number of devices authorised by warrant by device type**

		Number of devices by device type				
Number of applications	Number of warrants issued	Listening devices	Optical surveillance devices	Tracking devices	Data surveillance devices	Combination
56	142	811	646	388	92	834

**Table 2: Number of devices authorized by an emergency approval by device type**

		Number of devices by device type				
Number of applications	Number of authorisations issued	Listening devices	Optical surveillance devices	Tracking devices	Data surveillance devices	Combination
2	2	1	0	1	0	0

**Table 3: Number of devices authorized by a remote application issued in this jurisdiction and executed in a participating jurisdiction by device type**

		Number of devices by device type				
Number of applications	Number of authorisations issued	Listening devices	Optical surveillance devices	Tracking devices	Data surveillance devices	Combination
0	0	0	0	0	0	0

**Table 4: Number of devices authorized by a warrant issued in this jurisdiction and executed in a participating jurisdiction that were refused by device type**

		Number of devices by device type				
Number of applications	Number of authorisations issued	Listening devices	Optical surveillance devices	Tracking devices	Data surveillance devices	Combination
0	0	0	0	0	0	0

**Table 5: Number of applications for extensions of warrants issued in this jurisdiction and executed in a participating jurisdiction by device type**

		Number of devices by device type				
Number of applications	Number of authorisations issued	Listening devices	Optical surveillance devices	Tracking devices	Data surveillance devices	Combination
0	0	0	0	0	0	0

## APPENDIX D: TERRORISM (POLICE POWERS) ACT REPORT



### ***Terrorism (Police Powers) Act 2002***

Section 27ZB

## **ANNUAL REPORT BY THE NEW SOUTH WALES CRIME COMMISSION**

**1 July 2013 – 30 June 2014**

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Section 27ZB of the *Terrorism (Police Powers) Act 2002* ('the Act') requires the Commissioner for the New South Wales Crime Commission ('the Commission') to report annually on the exercise of powers under Part 3 of the Act by eligible staff members of the Commission. The report is to be provided within 4 months after each 30 June to the Police Minister and the Attorney General and is to be tabled in each House of Parliament as soon as practicable after it is received by the Attorney General.

#### **1. Applications for Covert Search Warrants**

Paragraph 27ZB (3) (a) of the Act provides that the report is to specify the number of applications for covert search warrants made under Part 3 of the Act and the number of those applications that were granted.

The Commission made no such applications in 2013–2014.

#### **2. Applications for Telephone Warrants**

Paragraph 27ZB (3) (b) of the Act provides that the report is to specify the number of applications for telephone warrants and the number of those applications that were granted.

The Commission made no such applications in 2013–2014.

#### **3. Covert Search Warrants Executed**

Paragraph 27ZB (3) (c) of the Act provides that the report is to specify the number of covert search warrants executed.

The Commission did not execute any covert search warrants under the Act in 2013–2014.

#### **4. Seizures**

Paragraph 27ZB (3) (d) of the Act provides that the report is to specify the number of covert search warrants under which any things were seized.

The Commission did not seize any things under a covert search warrant under the Act in 2013–2014.

#### **5. Substitution of Things**

Paragraph 27ZB (3) (e) of the Act provides that the report is to specify the number of covert search warrants under which any things were placed in substitution for seized things.

The Commission did not place any things in substitution for things seized under a covert search warrant in 2013–2014.

#### **6. Return or Retrieval of Things**

Paragraph 27ZB (3) (f) of the Act provides that the report is to specify the number of covert search warrants under which any things were returned or retrieved.

The Commission did not return or retrieve any things under a covert search warrant under the Act in 2013–2014.

#### **7. Recording of Things**

Paragraph 27ZB (3) (g) of the Act provides that the report is to specify the number of covert search warrants under which any things were copied, photographed or otherwise recorded.

The Commission did not copy, photograph or otherwise record any things under a covert search warrant under the Act in 2013–2014.

#### **8. Use of Electronic Equipment**

Paragraph 27ZB (3) (h) of the Act provides that the report is to specify the number of covert search warrants under which any electronic equipment was operated by eligible staff members of the Commission.

No eligible staff member of the Commission operated any electronic equipment under a covert search warrant under the Act in 2013–2014.

#### **9. Things Tested**

Paragraph 27ZB (3) (i) of the Act provides that the report is to specify the number of covert search warrants under which any things were tested.

The Commission did not test any things under a covert search warrant under the Act in 2013–2014.

#### **10. Arrests**

Paragraph 27ZB (3) (j) of the Act provides that the report is to specify the number of arrests made in connection with a terrorist act in respect of which a covert search warrant was executed and the number of those arrests that have led to the laying of charges in relation to the terrorist act.

The Commission made no such arrests, and made no arrests that have led to the laying of charges in relation to a terrorist act, in 2013–2014.

## **11. Complaints Relating to the Execution of a Covert Search Warrant**

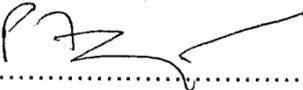
Paragraph 27ZB (3) (k) of the Act requires the Commission to specify the number of complaints that were made under any Act about conduct relating to the execution of a covert search warrant by an eligible staff member of the Commission and the number of those complaints that are, or have been, the subject of an investigation under any Act.

No such complaints were made, and no complaints are or have been the subject of an investigation under any Act, in 2013–2014.

## **12. Other Matters**

Paragraph 27ZB (3) (l) of the Act requires the Commission to specify any other matters requested by the Police Minister or the Attorney General.

The Commission received no requests made under this provision in 2013–2014.

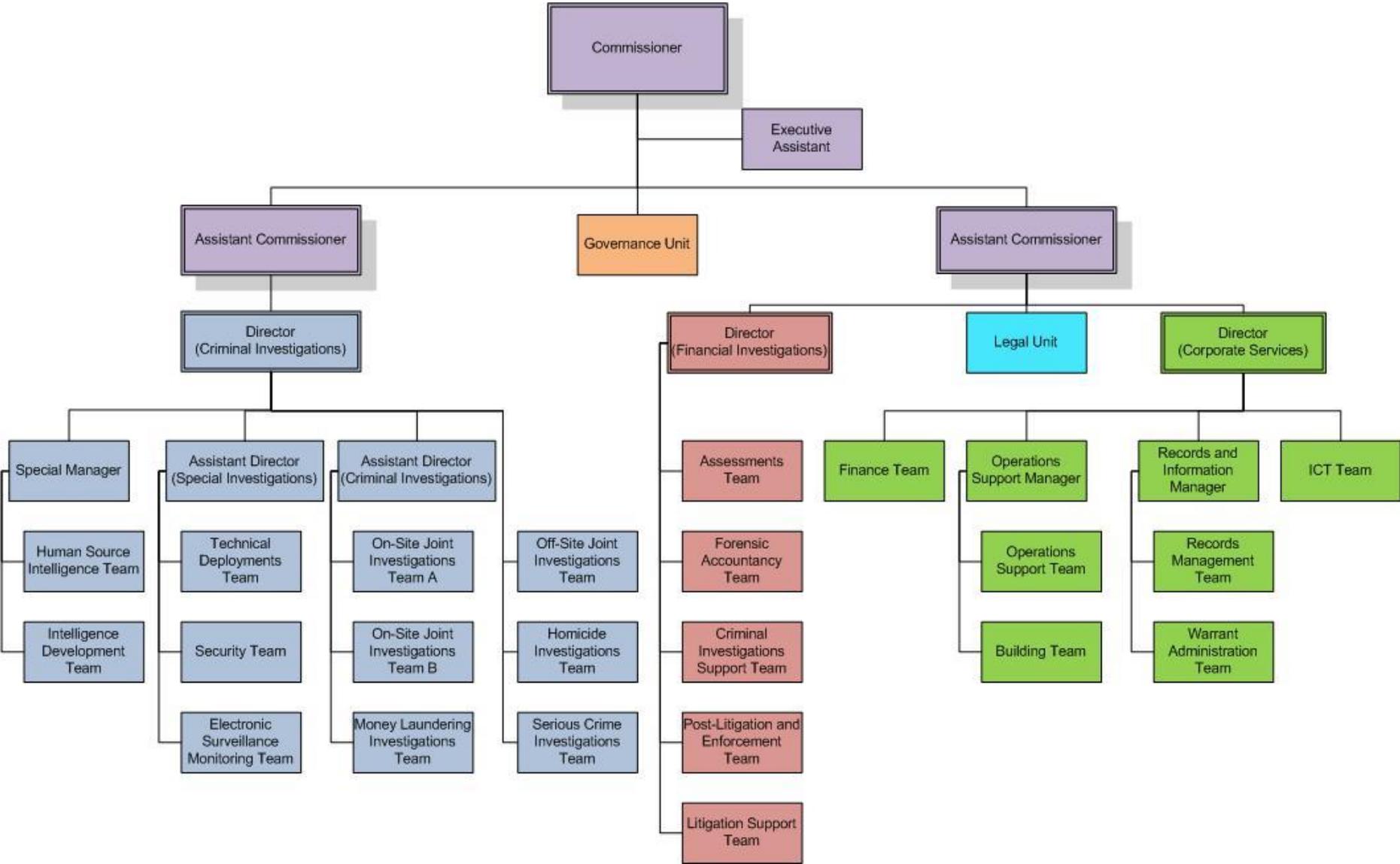
  
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Peter Singleton

Acting Commissioner

9 September 2014

# APPENDIX E: ORGANISATION CHART



**APPENDIX F: DIGITAL INFORMATION SECURITY SYSTEMS ATTESTATION**



**Digital Information Security Annual Attestation Statement for the  
2013–2014 Financial Year for the NSW Crime Commission**

I, Peter Selby Hastings, am of the opinion that the NSW Crime Commission had an Information Security Management System in place during the financial year being reported on consistent with the Core Requirements set out in the *Digital Information Security Policy for the NSW Public Sector*.

I, Peter Selby Hastings, am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of the NSW Crime Commission are adequate for the foreseeable future.

I, Peter Selby Hastings, am of the opinion that all Public Sector Agencies, or part thereof, under the control of the NSW Crime Commission with a risk profile sufficient to warrant an independent Information Security Management System have developed an Information Security Management System in accordance with the Core Requirements of the *Digital Information Security Policy for the NSW Public Sector*.

A handwritten signature in black ink, appearing to read 'P Selby Hastings', positioned above a dotted line.

Peter Selby Hastings QC  
Commissioner

**APPENDIX G: INTERNAL AUDIT AND RISK MANAGEMENT ATTESTATION**



**Internal Audit and Risk Management Attestation  
for the 2013-2014 Financial Year  
for the New South Wales Crime Commission.**

I, Peter Hastings, Commissioner for the New South Wales Crime Commission am of the opinion that the Commission has internal audit and risk management processes in place that are, subject to the following matters, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I am of the opinion that the internal audit and risk management process for the Commission departed from the core requirement set out in Treasury Circular NSW TC 09/08 in regard to maximum terms of Chair appointments and that the circumstance giving rise to this departure and the remedy of the circumstance has been excepted by the Portfolio Minister.

<b><i>Requirement</i></b>	<b><i>Alternative Measures Implemented</i></b>
The appointment of Chair of an Audit & Risk Committee must not exceed a maximum period of four years from the date of the first appointment.	The Commission appointed Mr Peter Whitehead to the position of Chair of its Audit & Risk Committee for a further one year after the expiration of his fourth year as Chair. The Commission appointed Mr Peter Lucas to the position of Chair of its Audit & Risk Committee for a four year term commencing 1 July 2014.

I am of the opinion that the Commission's Internal Audit and Risk Committee is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08.

The Chair and other Members of the Internal Audit and Risk Committee are:

Name	Position	Appointed	Expiry Date
Peter Whitehead	Independent Chair (By Ministerially Determined Departure)	1 July 2013	30 June 2014
Andrew Koureas	Independent Member	1 July 2009	30 June 2013 Replaced 13 August 2013
Peter Lucas	Independent Member	13 August 2013	12 August 2017
Jonathan Spark	Non-Independent Member	20 May 2013	20 May 2017

These processes, including the Alternative Measures Implemented, provided a level of assurance that enabled the senior management of the Commission to understand, manage and satisfactorily control risk exposures.

Dated: 22 September 2014



**Peter Hastings QC**  
**Commissioner**

## APPENDIX H: SECTION 31 PUBLIC INTEREST DISCLOSURES ACT REPORT



New South Wales  
Crime Commission

### ***Public Interest Disclosures Act 1994 (NSW)***

Section 31

## **ANNUAL REPORT BY THE NEW SOUTH WALES CRIME COMMISSION**

1 July 2013 – 30 June 2014

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Section 31 of the *Public Interest Disclosures Act 1994* ('the Act') requires public authorities, including the New South Wales Crime Commission ('the Commission'), to report on certain matters arising under the Act within 4 months after the end of each reporting year. The report must provide the statistics and information prescribed by clause 4 (2) and clause 4 (2A) of the *Public Interest Disclosures Regulation 2011* and is to be submitted to the Minister responsible for the Commission, being the Minister for Police and Emergency Services, and a copy of the report is to be provided to the Ombudsman. The required statistics and information are below.

### **Statistics**

	<b>Made by public officials in performing their day to day functions</b>	<b>Under a statutory or other legal obligation</b>	<b>All other public interest disclosures</b>
The number of public officials who have made a public interest disclosure to the Commission	0	0	0
The number of public interest disclosures received by the Commission in total	0	0	0

	<b>Made by public officials in performing their day to day functions</b>	<b>Under a statutory or other legal obligation</b>	<b>All other public interest disclosures</b>
The number of public interest disclosures received by the Commission relating to corrupt conduct	0	0	0
The number of public interest disclosures received by the Commission relating to maladministration	0	0	0
The number of public interest disclosures received by the Commission relating to serious and substantial waste of public money	0	0	0
The number of public interest disclosures received by the Commission relating to government information contraventions	0	0	0
The number of public interest disclosures received by the Commission relating to local government pecuniary interest contraventions	0	0	0
The number of public interest disclosures finalised by the Commission	3	0	0

### **Further information**

**During the reporting period, did the Commission have a public interest disclosures policy in place?**

Yes. The Commission had a public interest disclosures policy, titled 'Internal Reporting Policy', in place throughout the reporting period.

The initial Internal Reporting Policy (version 1.00) was dated 1 October 2011. On 29 June 2012, the Internal Reporting Policy was updated (version 2.00) and was subject to minor

review on 10 July 2012 (version 2.01), 7 March 2013 (version 2.02), 20 May 2013 (version 2.03), and 27 August 2013 (version 2.04).

Pursuant to the *Government Information (Public Access) Act 2009* (NSW), the Commission's Internal Reporting Policy has been publicly available free of charge on the Commission's external website ([www.crimecommission.nsw.gov.au](http://www.crimecommission.nsw.gov.au)) since 1 October 2011.

For staff of the Commission, the Internal Reporting Policy is also available on the Commission's Intranet.

**During the reporting period, what actions has the Commissioner, as head of the Commission, taken to ensure that his staff awareness responsibilities under section 6E (1) (b) of the Act have been met?**

The Commissioner's measures have included:

1. On 27 August 2013, the Internal Reporting Policy (version 2.04) was uploaded and made available to staff through the Commission's Intranet and on the Commission's external website.
2. On 2 June 2014, a poster issued by the Ombudsman was adopted and placed on noticeboards and in meal rooms throughout the Commission with the aim of promoting:
  - The key objectives of the Act;
  - The current Disclosure Officers of the Commission to whom disclosures can be made; and
  - Directing staff as to where the Commission's Internal Reporting Policy can be accessed.



.....  
Peter Selby Hastings QC

Commissioner

30 July 2014

## APPENDIX I: SECTION 6CA PUBLIC INTEREST DISCLOSURES ACT REPORT



New South Wales  
Crime Commission

### ***Public Interest Disclosures Act 1994 (NSW)***

Section 6CA

**REPORT BY THE**

**NEW SOUTH WALES CRIME COMMISSION**

**1 January 2014 – 30 June 2014**

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Section 6CA of the *Public Interest Disclosures Act 1994* ('the Act') requires public authorities, including the New South Wales Crime Commission ('the Commission'), to report on certain matters arising under the Act within 30 days after the end of each 6 month reporting period. The report must provide the statistics and information prescribed by clause 4 (2) and clause 4 (2A) of the *Public Interest Disclosures Regulation 2011* and is to be submitted to the Ombudsman. The required statistics and information are below.

### **Statistics**

	<b>Made by public officials in performing their day to day functions</b>	<b>Under a statutory or other legal obligation</b>	<b>All other public interest disclosures</b>
The number of public officials who have made a public interest disclosure to the Commission	0	0	0
The number of public interest disclosures received by the Commission in total	0	0	0

	<b>Made by public officials in performing their day to day functions</b>	<b>Under a statutory or other legal obligation</b>	<b>All other public interest disclosures</b>
The number of public interest disclosures received by the Commission relating to corrupt conduct	0	0	0
The number of public interest disclosures received by the Commission relating to maladministration	0	0	0
The number of public interest disclosures received by the Commission relating to serious and substantial waste of public money	0	0	0
The number of public interest disclosures received by the Commission relating to government information contraventions	0	0	0
The number of public interest disclosures received by the Commission relating to local government pecuniary interest contraventions	0	0	0
The number of public interest disclosures finalised by the Commission	0	0	0

### **Further information**

**During the reporting period, did the Commission have a public interest disclosures policy in place?**

Yes. The Commission had a public interest disclosures policy, titled 'Internal Reporting Policy', in place throughout the reporting period.

The initial Internal Reporting Policy (version 1.00) was dated 1 October 2011. On 29 June 2012, the Internal Reporting Policy was updated (version 2.00) and was subject to minor review on 10 July 2012 (version 2.01), 7 March 2013 (version 2.02), 20 May 2013 (version 2.03), and 27 August 2013 (version 2.04).

Pursuant to the *Government Information (Public Access) Act 2009* (NSW), the Commission's Internal Reporting Policy has been publicly available free of charge on the Commission's external website ([www.crimecommission.nsw.gov.au](http://www.crimecommission.nsw.gov.au)) since 1 October 2011.

For staff of the Commission, the Internal Reporting Policy is also available on the Commission's Intranet.

**During the reporting period, what actions has the Commissioner, as head of the Commission, taken to ensure that his staff awareness responsibilities under section 6E (1) (b) of the Act have been met?**

The Commissioner's measures have included:

1. On 2 June 2014, a poster issued by the Ombudsman was adopted and placed on noticeboards and in meal rooms throughout the Commission with the aim of promoting:
  - The key objectives of the Act;
  - The current Disclosure Officers of the Commission to whom disclosures can be made; and
  - Directing staff as to where the Commission's Internal Reporting Policy can be accessed.



Peter Selby Hastings QC

Commissioner

30 July 2014

## APPENDIX J: GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT REPORT



New South Wales  
Crime Commission

### ***Government Information (Public Access) Act 2009***

Section 125

### **ANNUAL REPORT BY THE NEW SOUTH WALES CRIME COMMISSION**

**1 July 2013 – 30 June 2014**

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Section 125 of the *Government Information (Public Access) Act 2009* ('the Act') requires the New South Wales Crime Commission (being an agency within the meaning of the Act), within 4 months after the end of each reporting year, to prepare an annual report on its obligations under the Act. The report is to be submitted to the Minister and a copy is to be provided to the Information Commissioner. The *Government Information (Public Access) Regulation 2009* ('the Regulation') makes provision for the information to be included in the annual report and the form in which the annual report is to be prepared.

#### **1. Subsection 7 (3) Review**

Subclause 7 (a) of the Regulation requires the annual report to specify the details of the review carried out by the Commission under subsection 7 (3) of the Act during the reporting year and the details of any information made publicly available by the Commission as a result of the review.

Subsection 7 (3) of the Act provides that agencies must, at intervals of not more than 12 months, review its program for the release of government information ('the program') under section 7 of the Act to identify the kinds of government information held by the agency that should in the public interest be made publicly available and that can be made publicly available without imposing unreasonable additional costs on the agency.

The Commission's annual reviews of its program for the release of government information for the 2013–2014 reporting year were conducted on the following dates:

- On 15 August 2013 at which time it was decided that the program remained appropriate and need not be amended at that time. It was further decided that once the Commission drafted and updated its policies, they would be considered for release.

- On 17 September 2013 at which time a brief review of policies was conducted (including those that have been drafted or rewritten and those yet to be drafted) to determine which policies may or may not be released.
- On 28 March 2014 at which time a brief review of newly drafted policies was conducted. A process was established as to how the remaining Commission policies are to be reviewed for release.
- On 9 April 2014 at which time the process established as to how the remaining Commission policies are to be reviewed for release was reconsidered and amended.

Since the above reviews have taken place, the Commission has released its most recent Internal Reporting Policy, Code of Conduct, and Work Health and Safety Policy as well as its updated Agency Information Guide.

The remaining policies that have been newly drafted or those that have been recently revised are to be considered for release under the program by the next subsection 7 (3) review conducted under the Act.

## **2. Number of Access Applications**

Subclause 7 (b) of the Regulation provides that the annual report must include the total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications).

During the 2013–2014 reporting year, the total number of access applications received by the Commission was one.

## **3. Number of Applications Refused**

Subclause 7 (c) of the Regulation provides that the annual report must include the total number of access applications received by the agency during the reporting year that the agency refused, either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure).

During the 2013–2014 reporting year, the Commission received two applications that were refused, either wholly or partly, because they sought information that was within the categories referred to in Schedule 1, namely excluded information.

## **4. Statistical Information About Access Applications**

Subclause 7 (d) of the Regulation requires an agency's annual report to set out information in the form required by Schedule 2 to the Regulation, relating to the access applications (if any) made to the agency during the reporting year.

Schedule 2 prescribes eight tables to be included in the annual report relating to statistical information about access applications. The eight tables on the following pages detail the statistical information of the Commission during the 2013–2014 reporting year.

**Table A: Number of applications by type of applicant and outcome\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm / deny whether information is held	Application withdrawn
Media	0	0	1	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	1	2	0	0	1	0

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

**Table B: Number of applications by type of application and outcome**

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm / deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	1	0	0	0	0
Access applications (other than personal information applications)	0	0	2	1	0	0	1	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

\* A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

<b>Table C: Invalid applications</b>	
<b>Reason for invalidity</b>	<b>Number of applications</b>
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	2
Application contravenes restraint order (section 110 of the Act)	0
<b>Total number of invalid applications received</b>	<b>2</b>
Invalid applications that subsequently became valid applications	0

<b>Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act</b>	
	<b>Number of times consideration used*</b>
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	2
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

\* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

**Table E: Other public interest considerations against disclosure:  
matters listed in table to section 14 of the Act**

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timeliness**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	3
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
<b>Total</b>	<b>3</b>

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

	<b>Number of applications for review</b>
<b>Applications by access applicants</b>	0
<b>Applications by persons to whom information the subject of access application relates (see section 54 of the Act)</b>	0



.....

Peter Singleton  
Acting Commissioner  
10 September 2014

## COMPLIANCE INDEX

The Commission is required to include in its Annual Report certain information specified in the Annual Reports Act, the Annual Reports Regulation, the Commission Act, and Treasury circulars. The specified information categories, and the locations within this report where the information may be found, are as follows:

**Table 31**

<b>Requirement</b>	<b>Location/comment</b>
Access	Back of front cover
Agreements with the Community Relations Commission	62
Aims and objectives	3–5
Applications to the Court under subs. subs. 33 (3) of the Commission Act for review in respect of decisions of the Commission	45
Availability of this Annual Report in non-printed format	<a href="http://www.crimecommission.nsw.gov.au">www.crimecommission.nsw.gov.au</a>
Availability of this Annual Report on website	<a href="http://www.crimecommission.nsw.gov.au">www.crimecommission.nsw.gov.au</a>
Charter	3–5
Compliance with the <i>Privacy and Personal Information Protection Act 1998</i>	65
Consultants	64
Consumer response	59–61
Controlled entities	64
Court proceedings involving the Commission	42–45
Credit card certification	68
Description of patterns or trends, and the nature and scope, of organised and other crime	27–29
Digital information and information systems security attestation	Appendix F
Disability Action Plan	64
Economic or other factors	Not applicable
Exemptions	Not applicable
Extensions of time to submit report	Not applicable
External costs incurred in production of this Annual Report	62–63
Financial statements	69–112
Funds granted to non-government community organisations	68
<i>Government Information (Public Access) Act 2009</i>	Appendix J
Human resources	47–51
Identification of audited financial statements	69

<b>Requirement</b>	<b>Location/comment</b>
Implementation of price determination	Not applicable
Information furnished to investigative agencies	13
Internal audit and risk management attestation	Appendix G
Investment performance	Not applicable
Land disposal	68
Legal change	42–42
Letters of submission	i, iii
Liability management performance	Not applicable
Management and activities	1–68
Management and structure	Appendix E
Matters arising after 30 June 2014 that could have a significant effect on financial or other operations or the part of the community we serve	Not applicable
Matters referred to the Commission for investigation	6
Multicultural Policies and Services Program	49–50
Overseas visits	68
Payment of accounts	66–67
Performance and numbers of executive officers	Not applicable
Prosecutions resulting from investigations	14–19
Public interest disclosures	60–61, Appendices H and I
Recommendations for changes in laws or for administrative action	46
Requirements arising from employment arrangements	Not applicable
Research and development	Disclosure would adversely affect business
Risk management and insurance activities	55–57, 68
Subsidiaries	Not applicable
Summary review of operations	1–2, 8–40, 47–68
Time for payment of accounts	66–67
Unaudited financial statements	Not applicable
Warrants issued by the Commissioner under s. 36 of the Commission Act	10
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App. refers to an appendix to this report.

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