



New South Wales
Crime Commission

Annual Report 2015-2016



New South Wales Crime Commission

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18 October 2016

Deputy Premier Troy Grant MP,
Minister for Justice and Police,
Level 20,
52 Martin Place,
SYDNEY. NSW. 2000.

Dear Minister:

RE: ANNUAL REPORT 2015-2016

At its meeting today the Management Committee received and noted the Annual Report of the Commission 2015-2016. Pursuant to s 82 of the *Crime Commission Act* the report is transmitted to you with this letter.

The Committee resolved to transmit the report without comment.

Yours sincerely,

David Patten,
Chairman – Management Committee.



New South Wales
Crime Commission

11 October 2016

The New South Wales Crime Commission
Management Committee

Dear Committee Members,

RE: ANNUAL REPORT FOR 2015–2016

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 2016. 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 faithfully,

Peter Hastings QC
Commissioner

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COMMISSIONER'S YEAR IN REVIEW

The 2015-2016 reporting period reflected a continuation of the theme identified in the 2014-2015 Annual Report.

The enhancement of the management capability of the Commission continued as the Commission commenced to implement a Senior Executive Implementation Plan approved by the Public Service Commissioner in order to be compliant with the *Government Sector Employment Act 2013* ('GSE Act'), as is required by February 2017.

The term of the previous Assistant Commissioner (Operations) Robert Inkster expired on 16 December 2015. The Commission is grateful for the benefit of Mr Inkster's knowledge and experience during his employment with the Commission. The Commission has been fortunate that Mr Peter Dein, a former Assistant Commissioner of the New South Wales Police Force, has been appointed to that role and is a welcome addition to the Executive of the Commission.

As has been previously reported, the important function of the Commission of exercising its powers to conduct compulsory examinations of witnesses had been interrupted by uncertainty generated by a number of appellate decisions, but that had been sought to be removed by amendments to the *Crime Commission Act 2012* ('*Crime Commission Act*') that took effect on 28 November 2014. This has allowed the Commission to regain its momentum in relation to the use of its compulsory powers and the frequency of examinations has almost been restored to previous levels.

The challenges to the investigation of organised crime, due to the increased sophistication of counter surveillance techniques by upper echelon criminals, has endured unabated. The use of encrypted mobile phones and other defensive techniques continues to effect a major change on the capacity to gather evidence of the involvement of the organisers behind sophisticated criminal enterprises. This has a consequential effect on the examinations conducted by the Commission, which tend to be less effective when there is a lack of corroborative material, such as intercepted telephone conversations, to test the veracity of accounts provided by witnesses. The reality is, however, that the Commission will require an increase in personnel and technical capabilities if it is to maintain its effectiveness in the face of the protective measures with which the Commission and other law enforcement agencies dealing with organised crime are now faced.

The Commission still has the capacity to collect and analyse data associated with the use of telephones and is fortunate to have the assistance of highly qualified intelligence analysts who can maximise the evidentiary value of the information collected. Nevertheless, as was anticipated, the number of arrests and charges of organised crime figures has declined, although the total has been maintained at close to the usual level due to the increased number of arrests and charges relating to counter terrorism, with which the Commission has been associated.

A significant proportion of the Commission's investigative resources is allocated to working closely with the New South Wales Police ('NSW Police') Organised Crime Squad. The collaborative efforts to target serious organised crime figures continued throughout the reporting period, particularly with investigating money laundering activities of organised crime groups. The Commission was also committed to working closely with the NSW Police Homicide Squad in joint investigations and our Commonwealth partner agencies in joint task force arrangements.

The Commission has continued to pursue a change of strategic direction, in accordance with the *Crime Commission Act*, by pursuing the role of a service provider to NSW Police in assisting its investigations by the use of the Commission's coercive powers where they can achieve an outcome to an investigation that is not possible by the use of ordinary police methodology. The result will be fewer arrests but the intention is that the arrests will be more significant in that they will represent the disruption of organised crime networks.

The function of the Commission in conducting proceedings under the *Criminal Assets Recovery Act* ('CAR Act') was again highly successful during the reporting period. The total estimated realisable value of confiscation orders obtained by the Commission was \$33,092,706, a significant increase on the previous year and well above the five year average of approximately \$24.3 million. The actions of the Financial Investigation Division of the Commission, who are responsible for the administration of *CAR Act*, play an important part in disrupting organised crime. It is an essential part of the operation of organised crime enterprises to have the capacity to transfer and accumulate funds and the success of the Commission in achieving significant confiscation of those funds is a major part of its disruption strategy.



Peter Hastings QC
Commissioner

PART I - THE NSW CRIME COMMISSION

The Commission is constituted as a corporation under the *Crime Commission Act*. Mr Peter Hastings is the Commissioner. Mr Peter Bodor, Mr Robert Inkster (1 June 2015 to 16 December 2015) and Mr Peter Dein (1 February to 30 June 2016) were the Assistant Commissioners during the reporting period.

The Commission has functions under the *Crime Commission Act* and the *CAR Act*. During the period Mr Hastings, Mr Bodor, Mr Inkster, Mr Dein, and delegated staff members exercised the functions of the Commission under the *Crime Commission Act* and the *CAR Act*.

Functions, aims and objectives of the Commission

The object of the *Crime 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 *Crime Commission Act*, reports relating to organised and other crime that 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
- 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
- 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
- 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.

Responsible Minister

Administration of the *Crime Commission Act* and the *CAR Act* was, throughout the reporting period, assigned to the Hon. Troy Grant MP, Deputy Premier, Minister for Justice and Police, Minister for Racing, and Minister for the Arts.

The Commissioner and Assistant Commissioners

Mr Peter Hastings QC

Commissioner Peter Hastings was 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 Hastings is also President of the Australian Academy of Forensic Sciences. Mr Hastings was appointed Commissioner of the Commission on 31 October 2012.

Mr Peter Bodor QC

Assistant Commissioner (Legal) Peter Bodor has been a barrister for more than 39 years and was appointed Queen's Counsel in 1988. Mr Bodor's practice at the NSW Bar, as prosecutor and defender, was focused on criminal law. He also practised extensively in various royal commissions, commissions of inquiry and coronial inquiries, and at the Independent Commission Against Corruption. He also advised and appeared as leading counsel in numerous complex cases on behalf of the NSW Police. Mr Bodor was appointed Assistant Commissioner (Legal) on 1 July 2015.

Mr Robert Inkster OAM APM

Mr Robert Inkster, GradDipCrim, took up the role of Assistant Commissioner (Operations) 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. 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. Mr Inkster was appointed Assistant Commissioner (Operations) on 17 December 2012. His tenure ended on 16 December 2015.

Mr Peter Dein APM

Assistant Commissioner (Operations) Peter Dein was Assistant Commissioner in charge of the NSW Police Counter Terrorism & Special Tactics Command until his retirement in July 2014. He has over 41 years' policing experience, with over three decades in serious and organised crime and high-risk national security commands. His academic qualifications include a Graduate Certificate in Management and a Bachelor of Laws degree, and he was admitted to the NSW Supreme Court as Barrister. He is a graduate of the International Leadership in Counter Terrorism Program and has given expert presentations at international counter terrorism and national security conferences. Mr Dein was appointed Assistant Commissioner (Operations) on 1 February 2016.

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 arrangements 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
- 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
- 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.

Conditions for references

The Management Committee is not to refer a matter to the Commission for investigation unless it is satisfied that:

- The use of the Commission's powers appear to be necessary to fully investigate the matter
- The investigation of the matter by the Commission is in the public interest
- The matter is sufficiently serious or prevalent to warrant its investigation by the Commission.

Membership of the Management Committee

The *Crime Commission Act* constituted the Management Committee. During the reporting period, the Management Committee included:

- independent Chairperson, Mr David Patten
- Commissioner of the NSW Crime Commission, Mr Peter Hastings
- Commissioner of NSW Police, Mr Andrew Scipione APM
- Chair of the Board of the Australian Crime Commission ('ACC'), now the Australian Criminal Intelligence Commission ('ACIC'), Mr Andrew Colvin

- Deputy Secretary, Justice, Strategy and Policy, Department of Justice, Ms Vicky D'Adam (1 July 2015 to 18 August 2015)
- Deputy Secretary, Justice, Strategy and Policy, Department of Justice, Mr Brendan Thomas (18 August 2015 to 30 June 2016).

Management Committee activities in 2015–2016

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

The Management Committee referred 10 new matters to the Commission for investigation including five homicide cases, four drug trafficking matters and one arson investigation.

The Management Committee authorised the renewal of 35 existing references.

The Management Committee discontinued four references.

PART II - CRIMINAL INVESTIGATIONS DIVISION

The Commission's Criminal Investigations Division (CID) is responsible for discharging the 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 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 Organised Crime Squad ('OCS') available to assist the Commission during the year. A significant number of the Commission's investigations were conducted in cooperation with the OCS. The Commission also worked closely with the Homicide Squad, other NSW Police squads, and with other State and Commonwealth task forces.

Officers from other agencies, including the Australian Federal Police ('AFP'), the Australian Border Force ('ABF'), the ACIC and the Australian Transaction Reports and Analysis Centre ('AUSTRAC'), often participated in Commission investigations, contributing their additional skills, resources and powers to each operation. As in other years, ABF 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 also has staff located at AFP premises.

Participation in joint task forces

During 2015-2016, the Commission participated in three multi-agency task forces.

Organised Crime Squad

During the reporting period, the Commission and OCS continued to jointly investigate high-level organised crime in NSW. 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 also provides the OCS with financial analysis, technical and linguistic support, operational support, and access to the Commission's statutory powers.

Joint Organised Crime Group

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

The Commission has participated in the JOCG since its inception as the Joint Asian Crime Group ('JACG') in 1997. The JOCG replaced JACG in July 2009. The JOCG is one of the longest continually running multi-agency task forces in NSW. Its terms of reference includes the investigation of organised crime groups involved in serious drug trafficking and 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 provides the JOCG with onsite analytical, financial, technical, and linguistic services, operational support, and access to the Commission's statutory powers.

Joint Counter Terrorism Team

The NSW Joint Counter Terrorism Team ('JCTT') was formally established in December 2007, although joint counter terrorism investigations had already 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, operational support, and access to the Commission's statutory powers, including hearings for the compulsory examination of witnesses.

Analytical software

In 2014, the Commission received funding for new analytical software that strengthens the intelligence capability of operational staff in undertaking investigations and analysis. This capability continues to be enhanced with data integration initiatives to support the Commission in meeting its investigative objectives. Staff expertise in using the software is maturing as the Commission continues to consult with partner agencies and expand the capabilities of the software.

Organised crime disruption strategy

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 includes the development of a map of persons the Commission believes to be involved in varying forms of organised crime in New South Wales. The Commission's map of organised crime is updated regularly in response to changes in its understanding of the criminal environment. This includes the addition of new persons of interest, the removal of persons who have been arrested, and the removal of persons who 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, which comprises Commission management and senior NSW Police officers.

At the end of 2015-2016, the Commission's organised crime map covered 607 persons, up from 590 at the start of the reporting period. The Commission added 19 persons of interest to the map over the course of the year and removed 2 persons who had died. At the end of the reporting period, 147 persons of interest included in the Commission's map of organised crime were the subject of active investigation, 20 were the subject of intelligence development work, 110 had been arrested, and the Commission was monitoring the activities of the remaining persons.

Use of statutory powers and authority

The Commission exercises its powers under the *Crime Commission Act* and the *CAR Act* to assist it in discharging its functions. The powers conferred by the *Crime Commission Act* were available to support the Commission's investigations and evidence gathering for both criminal prosecutions and proceedings under the *CAR Act*.

Additionally, 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.

Aside from the *Crime Commission Act*, the principal statutes that the Commission uses for investigative purposes are as follows:

- the *Law Enforcement (Controlled Operations) Act 1997* (NSW) ('the *LECO Act*'), which provides for authorisation of controlled operations involving what would otherwise be unlawful conduct
- the *Law Enforcement (Powers and Responsibilities) Act 2002* (NSW) ('the *LEPRA Act*'), which grants the Commission the authority to apply for covert search warrants
- the *Law Enforcement and National Security (Assumed Identities) Act 2010* (NSW) ('the *LENSAI Act*'), which provides for the creation and use of assumed identities
- the *Surveillance Devices Act 2007* (NSW) ('the *SD Act*'), which provides for the use of surveillance devices (listening, optical, data and tracking devices) pursuant to warrant.
- the *Telecommunications (Interception and Access) Act 1979* (Cth) ('the *TIA Act*'), which 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 data
- the *Terrorism (Police Powers) Act 2002* (NSW) ('the *Terrorism (Police Powers) Act*'), which granted the Commission the authority to make applications for covert search warrants. The *Terrorism (Police Powers) Amendment Act 2015*, which came into effect on 5 November 2015 abolished the Commission's authority under the original act. Therefore, this will be the last year that the use of these powers will be reported within the Commission's annual report.

The figures in Table 1 relate to the CID and FID aspects of the Commission's work. Tables 2 to 7 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 12 in Part III of the report.

Crime Commission Act 2012

Table 1

Use of the legislation (and section of Act)	Total
Applications for search warrants (s 17)	0
Summonses to appear at hearings (s 24)	144
Notices to State public agencies (s 28)	36
Notices to produce (s 29)	1498
Arrest warrants (s 36)	0

Law Enforcement (Controlled Operations Act) 1997

Table 2

Use of the legislation	Total
Applications for authorities made	0
Authorities granted	0

Law Enforcement (Powers and Responsibilities) Act 2002

Table 3

Use of the legislation*	Total
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 4

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

* A copy of the Commission's Annual Report under the s 35 of the *LENSAI Act* is reproduced at Appendix B.

Surveillance Devices Act 2007

Table 5

Use of the legislation*	Total
Applications made	32
Warrants sought in those applications	118
Warrants granted	113
Warrants refused	5
Emergency authorisations sought	0
Emergency authorisations approved	0

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

Telecommunications (Interception and Access) Act 1979 (Cth)

Table 6

Applications, warrants, etc. (and section of Act)	Total
Applications for A-party service warrants (s 46(1)(d)(i))	91
Applications for A-party service warrants withdrawn	0
A-party service warrants refused	0
A-party service warrants issued	91
Applications for B-party service warrants (s 46(1)(d)(ii))	4
Applications for B-party warrants withdrawn	0
B-party warrants issued	4
Applications for named person warrants (s 46A)	70
Applications for named person warrants withdrawn	0
Named person warrants issued	70
Total warrants issued	165

Applications for entry warrants (s 48)	0
Applications for entry warrants withdrawn	0
Entry warrants issued	0
Applications for stored communications warrants (s 116)	4
Applications for stored communications warrants withdrawn	0
Stored communications warrants issued	4
Existing data authorisations (s 178)	2194
Prospective data authorisations (s 180)	727
Destructions of intercepted material	0
Destructions of stored communications (s 150)	0

Terrorism (Police Powers) Act 2002

Table 7

Use of the legislation*	Total
Applications made	0
Warrants sought in those applications	0

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

Controlled entities

The Commission has established and manages a number of 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. They are funded directly by the Commission and accounted for within the consolidated accounts of the Commission. They do not have a material impact on the Commission's accounts.

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 *Crime 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 ACIC, Australian Commission for Law Enforcement Integrity, ABF, AFP, AUSTRAC, ASIO, Australian Taxation Office, Corrective Services NSW, Crown Solicitors Office, Department of Immigration & Border Protection, legal firms, Drug Enforcement Administration (USA), Federal Bureau of Investigations (USA), Internal Revenue Service (USA), Joint Counter Terrorism Taskforce, NSW Police, Queensland Crime & Corruption Commission, Queensland Police, and State Coroner (NSW).

The number and types of disseminations are set out below.

Disseminations

Table 8

Statutory provisions	Disseminations
<i>Crime Commission Act</i> (s 13)	508
<i>TIA Act</i> (s 68)	54
<i>TIA Act</i> (s 139)	3
<i>SD Act</i> (s 40(4)(c))	6
<i>SD Act</i> (s 40(5))	0
Total	571

Results of investigations

The Commission reports on the arrests and charges that arise from investigations in which it is involved. 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.

The Commission has previously noted the difficulties associated with measuring the performance of its operations. Some of the measures the Commission uses are listed in Table 9 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 reflect 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 reflect neither the significance of the nature of the offences involved nor the standing of charged persons in criminal groups.

Performance measures of the Commission

Table 9

Measure	2011-12	2012-13	2013-14	2014-2015	2015-2016
Arrests	92	169	175	140	137
Charges	431	684	684	520	529
Summonses	132	163	162	170	144
Search warrants	9	0	0	0	0
Notices to government agencies [†]	79	58	34	42	56
Other notices [†]	1343	1615	1408	1539	1498
Arrest warrants	1	3	0	1	0
Disseminations	602	794	739	768	508

* The figures in bold relate solely to the use of powers under the *Crime Commission Act*.

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

Table 10 below reports 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.

The table 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. Other arrests may also occur in the future under the same reference, and those figures would be reported in future annual reports. It is also important to note that not all arrests are for charges of the predominant type of offence being investigated under the particular reference.

The Commission does not itself make arrests, as that is a function of the NSW Police and the AFP. Therefore, the Commission's figures on arrests and seizures include only those arrests and seizures that come to the attention of the Commission, which may understate the real position.

Arrests and charges by Commission reference

Table 10

Reference or task force	Type	Arrests	Charges
<i>Cabarita</i>	Homicide	1	1
<i>Casuarina</i>	Homicide	4	5
<i>Dalmeny</i>	Money Laundering	13	74
<i>Eureka</i>	Drugs	3	28
<i>Henley</i>	Drugs	6	24
<i>JCTT</i>	Terrorism	55	221
<i>JOCG</i>	Drugs	19	45
<i>Mardi</i>	Homicide	7	8
<i>Marlee</i>	Drugs	4	19
<i>Minnesota</i>	Money laundering	10	42
<i>Organised Crime Squad</i>	Drugs	13	51
<i>Queanbeyan</i>	Money laundering	1	1
<i>Rosedale</i>	Homicide	1	10
Total		137	529

Analysis of arrests and charges

The number of arrests has reduced slightly, while the number of charges increased since the last reporting period. In 2014-2015, the arrests totalled 140 and charges totalled 520 but the figures are affected by the large increase in numbers of arrests and charges by the JCTT.

The latest reporting period is the first time in the Commission's history that money laundering charges have overtaken drug charges in number. These results reflect the investment by the Commission into targeting money laundering activities of criminal syndicates. A specialist money laundering team has worked jointly with OCS since 2014.

As with previous years, most of the Commission's criminal investigations focused on large-scale supply of prohibited drugs. During the reporting period, approximately 45 per cent of the 110 drug charges laid related to large scale and commercial supply of prohibited drugs and the importation of commercial quantities of border controlled drugs; approximately 24 per cent of the drug charges related to the manufacture of prohibited drugs; approximately 30 per cent of the drug charges related to the supply of a prohibited drug (indictable quantity), the supply of prohibited drug and possession.

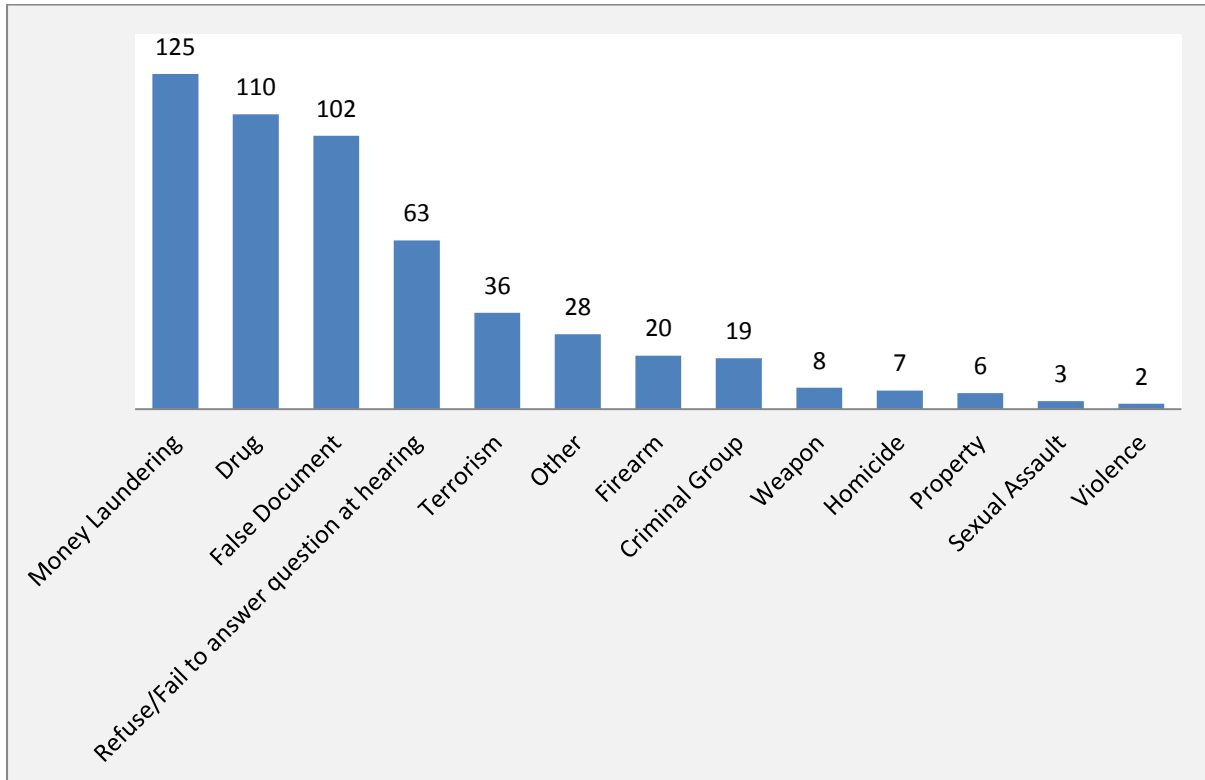
The NSW Police refer homicide investigations when they believe the Commission's statutory powers and/or experience are necessary to progress their investigation. As a result of joint investigations, 6 charges relating to murder were laid and 1 charge for accessory after the fact to murder during 2015-2016. This is a drop from last year's figures of 29 and 6 respectively.

There has been a significant increase in the number of terrorism charges laid by the JCTT compared with the previous reporting period. During 2015-2016, 1 charge was laid for

commit terrorist act, 15 charges for act in preparation/planning for terrorist attack, 8 charges relating to membership of a terrorist organisation, and 5 charges relating to terrorism funding activities. These figures reflect the new realities in the current geopolitical climate. The risk of terrorism is likely to grow in the near future, and the Commission is able to contribute to the disruption of those activities by the use of its coercive powers.

Charges by offence type

Chart 1



PATTERNS AND TRENDS IN THE NATURE AND SCOPE OF ORGANISED CRIME

Section 82 of the *Crime Commission Act* requires the Commission's Annual Report to include a description of patterns and trends in the nature and scope of organised crime and other crime that the Commission has encountered during its investigations over the course of the year.

The illicit drug trade continues to be the main stream of income for organised crime groups operating in Australia. Drugs that are predominantly manufactured overseas including cocaine and amphetamine-type stimulants (ATS), continue to command high prices domestically when compared with their cost offshore. As a consequence, international crime groups have continued, and likely have increased, their efforts in importing prohibited drugs into Australia in the last 12 months.

According to statistical reporting, mainstream crime has been slowly reduced over time. According to the Bureau of Crime Statistics and Research (BOCSAR), for the five year period prior to March 2016, the majority of crime types were reducing, with the exception of domestic violence, sexual assault, fraud and theft associated with stealing from retail stores. However, the observed situation in relation to organised crime is considered by the Commission to be the opposite of the mainstream crime statistics.

Organised crime is increasing and is at levels not seen previously in New South Wales. The growth of organised crime is almost entirely driven by the prohibited drugs market and the indicators relied upon for this conclusion include the following:

Availability of drugs

Methamphetamine ('ice') and cocaine supplies are still high; prices for both drugs are considerably lower than five years ago and the detection and seizures are increasing both in number and volume.

Australia is a supply driven market

Offshore interests decide the volume of drugs that are imported into Australia and the domestic drug consumption market will consume whatever is available. When an over-supply occurs, the result is a reduction in the price of prohibited drugs, which is precisely what we are seeing at present. Commendable law enforcement efforts around the country have resulted in larger seizures and more arrests, but they have had little, if any, effect on the quantities of prohibited drugs available for consumption in Australia.

Offshore principals continue to drive the Australian drug market

Regrettably, the Commission has not observed any offshore principals being prosecuted for serious drug related importations into Australia in the last 12 months. This includes expatriate Australians. That is not to say that some of the Commonwealth agencies may not have been successful in this area, but the prosecution of offshore principals by State related agencies is complex, costly and generally beyond the capability of State agencies. It is more usual that organised crime 'foot soldiers' are arrested and prosecuted and are the main recipients of substantial gaol terms in New South Wales. The Commission notes that there have been some recent efforts by the ACIC to identify and promote a more proactive approach to offshore individuals affecting organised crime activity in Australia.

Use of proxies by offshore groups

Proxies are used both to receive and distribute drugs, and to receive and transfer profits. These persons are often the subject of domestic law enforcement efforts and are often detected, arrested and prosecuted, however the arrests and seizures have had little effect (if any deterrent value) to the offshore networks who simply replace them. Without access to law enforcement in the countries from which the networks are controlled, the Commission has limited capacity to seriously disrupt their organised crime business in New South Wales.

Encrypted Communication

The use of encrypted communication by organised crime continues to increase. The Commission has encountered various encrypted mobile phones and applications, however the primary communication devices preferred by organised crime are encrypted Blackberries. These devices are used almost exclusively by organised crime to frustrate law enforcement efforts. The use of the Blackberry facility costs approximately \$2,000-\$2,500 over the course of six months. With such a high cost the Commission has not detected any legitimate commercial use of these devices. Their continued use and availability suggests an increased prevalence of organised crime related activity in New South Wales.

Organised crime and tobacco importations.

In the last 12 months the Commission has received reports of organised crime increasing its efforts in relation to tobacco importations. Although this is the exclusive domain of Commonwealth law enforcement, it is likely to have an impact upon State law enforcement efforts resulting from the available cash associated with successful undetected tobacco importations. There is intelligence to suggest that successful tobacco imports generate profits that are used to fund drug importations into Australia. The increase in tobacco excise has created a more lucrative market for those involved in tobacco smuggling. As organised crime exists to derive profit, it is expected that over the next two years organised crime will further increase its efforts in the area of tobacco importation and distribution throughout Australia. The penalties are less than those imposed for drug offences and the agency primarily responsible for preventing illicit tobacco importations, the ABF, is hampered by the fact that it is not an eligible telephone interception agency.

Increase in organised crime related murders

Murders are symptomatic of heightened organised crime activity. The ability to raise vast amounts of cash enables organised crime groups to source weapons and employ persons prepared to undertake murder for profit. The motives vary from matter to matter, however it is consistent that either the offender or the victim is recorded in police intelligence indices as having been involved in organised crime and/or the distribution of prohibited drugs.

These types of murders are particularly problematic as, more often than not, encrypted communications have been used by either the offender or the victim, which hampers the efforts to investigate the matter. The victim's business affairs are difficult to reconstruct and in many cases it is observed that their available income is inconsistent with their lifestyle, leading to the conclusion of involvement in criminal activity. Many of the witnesses associated with the victims themselves have connections to organised crime and are reluctant to provide any assistance to law enforcement, therefore hampering the investigation. As a result, the Commission has undertaken many hearings pursuant to s 24 of the Act to advance several of the organised crime investigations in the last 12 months.

Money Laundering

The vast profits generated by organised crime need to be laundered or moved from cash into the mainstream banking networks. Large sums are transferred offshore through both registered and unregistered remitting agencies and some of the mainstream banks. The money to be transferred offshore includes payments for future drug importations (both product and logistics) and the repatriation of profits.

Some profits are diverted into Australia for those that are residents. The Commission has observed drug profits being channelled into commercial activity including the purchase of businesses, real estate and shares.

In one case, the Commission had observed large sums being transferred to persons in Australia disguised as offshore loans. Considering that the cost of borrowing money in Australia is substantially low at present and has been for some time, the prospect of borrowing funds offshore with the accompanying exposure to currency fluctuations appears suspicious and, at least in this particular case, was no more than a fraudulent loan to disguise drug profits.

The Commission, together with its partner agencies, has spent considerable time and resources investigating networks involved in professional money laundering and offshore transfers.

It is the experience of the Commission, and that of law enforcement agencies operating in New South Wales, that this issue is particularly prevalent and occurs multiple times daily in many parts of the country.

This is not to say that the use of remitters is the only means of money laundering used by organised crime. Other methods include bulk cash smuggling, the use of electronic currencies and more sophisticated methods such as trade based laundering and price transfer arrangements. China is regarded as a source supply country for the manufacture of ATS. China is Australia's largest legitimate trade partner and the opportunities for organised crime to engage in trade based laundering are substantial. However, it is difficult to detect and the approximate value of funds being transferred to places like China, allegedly or likely derived by organised crime activity, is almost impossible to assess. The unseen transfers only add to existing and identified funds detected by law enforcement as having been likely generated by organised crime activity.

It is hard to estimate how much cash is involved or transferred in this way, however it is safe to say that it is measured in hundreds of millions of dollars and probably in excess of \$1 billion. Figures reported by the ACIC indicate that it is probably measured in many billions of dollars. It is also a safe assumption that a large portion of these funds are generated through the sale of prohibited drugs. The appetite for prohibited drugs appears to be increasing, not decreasing. The problem is not just a law enforcement issue, and requires a more holistic and co-ordinated government response.

A typical international money laundering scenario is:

- 1** A drug importation occurs when the drugs are successfully imported and distributed amassing an amount of cash to be laundered. An amount of \$40 million is not uncommon and would equate to approximately 200 kilos of cocaine or 400 kilos of ice.

- 2** The cash is held in Australia by various persons and, for reasons of security, it is not aggregated at the one location.

- 3** A member of the syndicate is despatched to Australia and tasked with coming into contact with the persons in Australia who are holding the cash. Sometimes these persons have had involvement in the drug distribution but sometimes they have not and should they be arrested they are of little intelligence value to law enforcement even if they ultimately co-operate with the investigation.

- 4** These persons are provided with a mobile phone and the number to that service is provided by the offshore principals to the persons in possession of the cash in Australia. The holder of the cash will contact the proxy and arrange a meeting, at which large quantities of cash are delivered to the proxy. For security reasons these cash drops are usually limited to no more than \$500,000 at a time, although they have been detected in amounts of up to \$1 million. During a recent Commission investigation an individual was intercepted by law enforcement in possession of half a million dollars of cash. Evidence obtained during the course of investigation has uncovered that this person has been involved in up to 30 similar cash drops totalling some \$16 million.

- 5** In some investigations the transfers of cash that are being detected are occurring while the drug distribution network is still operating, providing opportunities for law enforcement to arrest offenders in possession of drugs. However on other occasions, by the time the cash is ready for distribution the drugs have already been sold and consumed.

- 6** The proxy, after receiving the cash, will have instructions to contact a local remitting agent. The local remitting agents will receive instructions from either the proxy or from offshore principals as to the disbursement of the funds. The disbursement of the funds can occur in various forms including variations of Hawala schemes*, Cuckoo Smurfing† or bulk cash deposits followed by multiple internal transfers and leading to offshore transfers.

* Criminal methodology for paying overseas drug suppliers. The funds are never transferred out of Australia (and therefore not reported). Cash payment is facilitated by an associated remittance agency in the exporting country, which has access to local funds that are deposited by criminals in Australia.

† Criminal methodology for transferring wealth through the bank accounts of innocent third parties.

PART III - FINANCIAL INVESTIGATIONS DIVISION

The Commission employs 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. As authorised by s 11 of the *Crime Commission Act*, the CID gathers intelligence and evidence in the course of its investigations under the Act for the FID to use in its 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').

Because of the costs and delay involved, confiscation proceedings are civil proceedings. As such, they are governed by the Court and statutory rules in respect of civil proceedings. The Commission attempts 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 defendants and their lawyers.

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 settlement.

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 ('AFOs'), 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 *Crime Commission Act*, and statistics on their use, are given in Table 1 in this report. The statistics for FID's use of these powers (being a subset of the figure in Table 1, rather than in addition to those figures) are as follows:

Use of statutory powers by FID

Table 11

Summons and Notices issued	No. issued
Summons (s 24)	0
Notice to produce (s 28)	20
Notice to produce (s 29)	1187
Total summonses and notices	1207

The combined total number of notices issued under these provisions (1207) during the reporting period was 120 less than the previous year (1327) but was still the equal 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 2015–2016, both prior to and after, 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:

Use of CAR Act provisions

Table 12

Orders	No. sought	No. granted
Examination orders (s 12)	108	108
Examination orders (s 31D)	2	2
Statement of affairs orders (s 12)	77	77
Statement of affairs orders (s 31D)	1	1
Production orders (s 33)	1	1
Search warrants (s 38)	0	0
Search warrants (ss 44 and 45)	31	31
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, 499 people were the subject of referrals and assessments compared to 501 people last year.

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:

- If the value of the potential defendant's assets is not high enough to make proceedings worthwhile; or
- If 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 Local Area Commands 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 of referrals 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 that the Commission's CID has investigated. 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 criminality of the subjects of Commission investigations. The Commission is assisted in this endeavour by some of the most experienced police investigators in NSW.

Confiscation and restraining orders

In last year's annual report it was noted that the number of viable confiscation matters that had come from referrals appeared to have decreased when compared with the prior

reporting period (being the year ended 30 June 2014). It was noted that although the number of referrals had increased marginally, the number of cases commenced had decreased. It was uncertain that this this was part of a longer term trend.

During the current reporting period the situation has reversed, with 82 cases being involving 102 defendants being commenced. In the cases that were commenced the Commission made 56 applications for PAOs, 45 applications for UWOs and 1 application for an AFO. A comparison of these measures between this and the two previous reporting periods follows:

Confiscation Cases

Table 13

	2013 -14	2014-15	2015-16
Cases commenced	77	70	82
Number of defendants	92	71	102

Of the 102 applications for confiscation orders 11 were made without a concurrent application for a restraining order. There are two main circumstances in which the Commission will seek a confiscation order without an associated restraining order:

- when 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
- when 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 91 restraining orders at the time proceedings were commenced (up from 54 in the previous reporting period), although in one case the application was made shortly after the proceedings were commenced by seeking a confiscation order.

Although all of the applications for restraining orders were made ex parte there was one matter that was unusual in that the restraining order was made in respect of certain interests in property on an ex parte basis but the Commission was required to give notice to the defendant of the application in respect of other interests in property. When this matter was heard the Court declined to make the orders in respect of those other interests in property and ordered that the Commission pay the defendant's costs of the application. During the period this matter was later resolved by the Commission consenting to its application for a confiscation order being dismissed and in consideration of this that the costs order be vacated.

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 in this matter, or any other matter, 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 there were no orders made in respect of a breach of warranty.

Analysis of confiscations

The estimated realisable value of confiscation orders that were made during the reporting period was \$33,092,706, which was a significant increase from the previous reporting period. The only previous year where this figure was exceeded was the year ended 30 June 2010 during which confiscation orders with an estimated realisable value of \$44,929,808 were made. However, as has been reported in previous annual reports the figure for that year was skewed by a very unusual order made against one defendant in the amount of \$19,644,445. When an adjustment is made for this unusual order it can be seen that in the current period the result is the most significant on record.

During the reporting period a matter was finalised in which, during the year ended 30 June 2014, the defendant had consented to an AFO in respect of her interest in an unencumbered residential property. It was noted in the Commission's annual report for that period that although a value of this AFO had been reported it may not have been the final outcome for the matter as an exclusion application had been filed and it was possible that the application would be successful. The matter reached a final conclusion during the current period when the defendant consented to the AFO being set aside and an UWO being made instead. The impact on the reported figures is that because the current reporting period includes the value of the final UWO (\$575,000) the estimated realisable value of confiscation orders for the year ended 30 June 2014 should be adjusted to reduce the reported total by \$600,000 (being the estimated realisable value of the AFO that had been reported in that year).

In this corresponding section of last year's annual report, for similar reasons but in an unrelated matter, it was explained that the reported total estimated realisable value of confiscation orders for the year ended 30 June 2014 should be adjusted to \$27,117,093. Following from the paragraph above a further adjustment is required to the figure for the year ended 30 June 2014 to reduce it by \$600,000 to \$26,517,093.

As commented last year, this issue is one that illustrates the difficulty in accurately measuring the results of confiscation proceedings among jurisdictions. The Commission resolves the vast majority of cases by negotiated settlement. In terms of performance measurement, this leads to a greater certainty of final outcome compared with using estimates of the value of restrained property. As illustrated in the examples above, the final outcome in matters that are taken to final hearing in which confiscation orders are made will often be uncertain as there may be remedies available to the defendant to challenge those orders or make applications that would result in the value of the orders being reduced. This

uncertainty is removed when matters are settled, as the Commission ensures that the defendant provides appropriate releases and agreements as part of the terms of settlement.

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

Performance Measures

Table 14

Outcome	By consent	Contested hearing	Total
AFOs made	26	1	27
PAOs made	24	1	25
UWOs made	8	0	8
Order for breach of warranty	0	0	0
Proceedings finalised by confiscation order application(s) being dismissed or proceedings discontinued	8	1	9
Totals disposals	66	3	69

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 addition to this, there are several matters in which more than one confiscation order was made against the defendant when the proceedings were finalised. For example, in some cases a defendant will consent to an AFO in respect of certain interests in property and also agree to pay a monetary amount to the Crown by way of a PAO.

In last year's annual report the corresponding table to the one above showed that there were a total of 87 disposals, compared to the current year of only 69, and that 80 of the disposals consisted of confiscation orders, compared with the current year of only 60. This decline in the number of confiscation orders but increase in their total estimated realisable value indicates that the average realisable value of confiscation orders made in the current period has increased significantly.

The AFO and the PAO that were made as a result of a contested hearing were both made against the same defendant, Xiao Yan Xu. In his decision, which is reported at *New South Wales Crime Commission [2015] NSWSC 1178*, Justice Fagan made an AFO in respect of Ms Xu's interest in a residential property at Carlingford in NSW and a PAO against her in the amount of \$1,136,707.57 and also ordered that Ms Xu pay the Commission's costs of the proceedings. Only the AFO is reported in the total estimated realisable value of the confiscation orders because neither the PAO nor the costs order is considered to be recoverable. It is sufficient to note here that Ms Xu appealed against the decision of the Justice Fagan but since the end of the reporting period the matter has been fully resolved. As a result, a minor adjustment to increase the estimated realisable value will be necessary, which will be reported in next year's annual report.

However, there was one other matter that proceeded to final hearing during the reporting period, being a hearing to assess the value of a PAO made in a prior reporting period and the defendant's application to exclude interests in property that been forfeited pursuant to an AFO that had been made at the same time as the PAO. During the initial hearing the defendant made an application to rely on further evidence and the hearing was adjourned to a date later in the year, with the defendant being ordered to pay the Commission's costs thrown away. The hearing concluded in March 2016 and judgment is reserved.

The table above indicates that one matter was discontinued as a result of a contested hearing. However, this description is a little misleading, as it was the hearing of the *Commission's* application to discontinue the proceedings that was the subject of the hearing. The defendant had died shortly after the Commission commenced proceedings against him, and prior to his criminal trial. An assessment of the matter revealed that the cost of continuing to litigate would have been unlikely to have exceeded the realisable value of any confiscation order made, so the Commission successfully applied to discontinue the proceedings.

As in previous years, the number of UWOs made (8) and their estimated realisable value (\$5,492,000), when presented without further explanation, create the impression these orders make a relatively insignificant contribution to the confiscation results compared to AFOs and PAOs. However it should be noted that of all the matters finalised during the reporting period that resulted in a confiscation order being made, 16 were commenced by the Commission seeking an UWO in its summons (in addition to the 8 referred to above that were commenced by seeking an UWO and finalised with the UWO being made) but finalised by the defendant consenting to the application for the UWO being dismissed and an AFO or PAO being made instead. The estimated realisable value of these orders contributed \$11,122,661 to the total value of the total estimated realisable value of confiscation orders made during the reporting period.

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:

Estimated realisable value by referral

Table 15

Source of referral	Number of Orders	Value \$
NSW Police	37	16,274,680
Commission–NSW Police joint investigation	13	12,116,251
Commission	3	2,423,000
Commission, NSW Police, ACC	3	1,121,095
Commission, NSW Police, AFP, ACC, ACS	1	575,000
Commission and ACC	2	342,680
ICAC	1	240,000
Total	60	33,092,706

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

Estimated realisable value by order

Table 16

Type of order	No. of orders	Estimated realisable value (\$)
AFO	27	11,356,403
PAO	25	16,244,303
UWO	8	5,492,000
Breach of warranty	0	0
Total	60	33,092,706

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 again highlighted below.

Comparison with previous years

Table 17

	2013–14	2014–15	2015-16
Estimated value of property subject of proceedings	\$44,600,000	\$46,500,000	\$66,611,000
Estimated value of realisable confiscation orders	\$26,517,093*	\$26,513,577	\$33,092,706

* Adjusted figure – see explanation under heading ‘Analysis of confiscations’ above.

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 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.

During the reporting period the total gross estimated value of confiscation orders was \$35,939,414. The difference between this figure and the estimated realisable value of confiscation orders is explained by the outcome in three unrelated matters:

1. the PAO of \$1,136,707.57 that was considered to be unrecoverable as described under the heading ‘Analysis of confiscations’ above
2. a defendant who consented to an AFO in respect of the sum of \$960,000 that he had either invested in or loaned to a company who is now considered to be unable to repay those funds
3. a defendant who consented to the forfeiture of an interest in \$750,000 that had been paid as a deposit on a contract to purchase certain shares in two private companies. The defendant had failed to complete the contract which resulted in the deposit being forfeited to the vendor. Even if this had not been the case it is highly unlikely that the deposit would have been recoverable from the vendor due to its apparent insolvency.

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 serious crime related activity. 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.

The matter that is described under the heading 'Analysis of confiscations' that was resolved by the defendant consenting to an UWO in the amount of \$575,000 instead of an AFO is a matter of this type.

Summary judgments 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 judgment 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 judgment 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 matter.

The matter that was heard in March 2016 and is described under the heading 'Analysis of confiscations' is a matter of the type described under both the preceding headings.

Living and legal expenses

The *CAR Act* makes allowances for applications for reasonable living and legal expenses under s 10B(3). 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 s 10 B (3) were made and determined as follows:

Applications under s 10 B (3)

Table 18

Result type	Living expenses	Legal expenses
Orders made by consent*	8	34
Application for order dismissed by consent	0	0
Application for order granted after contested hearing	0	0
Application for order dismissed after contested hearing	0	0
Total	8	34

* 26 of the 34 legal expenses orders and 3 of the living expenses 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.

There was only one order made for the Commission to pay the defendant's legal costs. That order was made as a result of an application for a restraining order that was only partially successful. However, that matter was finally resolved during the reporting period with the Commission consenting to its application for a confiscation order being dismissed and, in consideration of this, the defendant agreeing that the previously made costs order be vacated.

Within proceedings, the Commission will often defend applications made under s 10C of the *CAR Act* that allow the Court to set aside restraining orders if it believes the Commission has failed to satisfy the Court that there are reasonable grounds for the relevant suspicion, 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.

Only one order was made that the defendant pay the Commission's legal costs, being the costs thrown away as a result of the hearing being adjourned in the matter referred to under

the heading “Analysis of confiscation,” which was heard in March 2016. Those costs have not yet been assessed, are difficult to quantify and, depending on the judgment in the matter, may not be recoverable. For these reasons they are not recorded as having a realisable value at this time.

The following table reports issues relating to legal costs:

Legal Costs

Table 19

Number of costs orders in favour of the Commission	1
Estimated realisable value of those costs orders	Nil
Number of costs orders in favour of the defendant	1*
Amount paid in respect of that costs order	N/A
Total cost of briefing outside counsel in the reporting period	\$180,133
Total cost of briefing outside counsel as percentage of realisable orders [†]	0.54%

* Order vacated during the reporting period when the proceedings were settled.

† 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 marginally more than the figure for 2014-2015 (which was 0.48%).

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:

Comparison of performance measures

Table 20

Measure	2013-14	2014-15	2015-16
CAR Act restraining orders	81	54	91
Confiscation orders sought without a restraining order	12	18	11
AFOs made	41	42	27
Estimated realisable value of AFOs	16,129,593*	18,197,309	11,356,403
PAOs made	42	35	25
Estimated realisable value of PAOs	7,762,500	7,914,500	16,244,303
UWOs made	5	3	8
Estimated realisable value of UWOs	1,225,000	730,000	5,492,000
Orders for breach of warranty ('BOWs')	1	0	0

Measure	2013-14	2014-15	2015-16
Estimated realisable value of BOWs	2,000,000	N/A	N/A
Total no. of confiscation orders	89	80	60
Total estimated realisable value of confiscation orders	26,517,093*	26,519,577	33,092,706
Production orders (<i>CAR Act</i>)	0	0	1
Search warrants (<i>CAR Act</i>)	33	27	31
Monitoring orders (<i>CAR Act</i>)	0	0	0

* Adjusted figure – see explanation under heading ‘Analysis of confiscations’ 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 Justice and Police 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, a Direction is issued that the amount be shared.

Since sharing arrangements commenced in April 2009, the Treasurer has approved the sharing of results of many confiscation proceedings with the Commonwealth. However, NSW is yet to receive a payment as a result of sharing arrangements since April 2009.

PART IV - LEGAL SERVICES DIVISION

The Legal Services Division (LSD) provides both legal advice and legal services to the Commissioner, the Assistant Commissioners and to the Commission. The legal practice includes acting in all matters commenced under the *CAR Act* including drafting all documents required in the course of the proceedings. The LSD also provides advice on a wide range of issues which arise in the day to day conduct of the *CAR Act* proceedings, as well as in criminal investigations conducted either by way of Management Committee references or joint task force arrangements. Lawyers also appear and instruct counsel to appear to answer subpoenas directed to the Commission in matters where claims of public interest immunity, legal professional privilege or issues as to a legitimate forensic purpose arise.

In addition, lawyers settle all applications for surveillance device and telephone interception warrants, the grant of leave to question a person charged with an offence and other authorisations sought in the course of investigations. They also appear in such applications. The Director (Legal Services) and the Commission Solicitors act for the Commission as solicitor on the record in litigation commenced by and against the Commission, other than where the Crown Solicitor is retained. Lawyers also negotiate the terms of, and provide advice to the Commissioner about, each memorandum of understanding between the Commission and outside agencies, deal with referrals from Commonwealth agencies under the *Freedom of Information Act 1982* (Cth) and act as appropriate officers under the *Government Information (Public Access) Act 2009* ('GIPA Act').

Legislative changes impacting on the Commission

In May 2016 the New South Wales Parliament passed two important laws in relation to the disruption of organised crime, namely the *Crimes Legislation Amendment (Organised Crime and Public Safety) Act 2016* and the *Crimes (Serious Crime Prevention Orders) Act 2016*.

Crimes Legislation Amendment (Organised Crime and Public Safety) Act 2016

The *Crimes Legislation Amendment (Organised Crime and Public Safety) Act* made significant amendments to other Acts which enhanced the capacity of the Commission to confiscate the proceeds of crime. They include an amendment to s 193C of the *Crimes Act 1900* that, amongst other things, increases the maximum penalty for dealing with property suspected of being proceeds of crime, particularly where the value of the property is more than \$100,000, in which case the maximum penalty provided is imprisonment for five years. This has the consequence that such offences against that section will invoke the *CAR Act* and permit the Commission to commence confiscation proceedings in relation to large cash seizures that are the subject of charges under s 193C, which were previously not liable to confiscation pursuant to the *CAR Act*.

The Act also made significant amendments to the *CAR Act* by including provisions for the forfeiture of property that was used in, or in connection with, a serious crime related activity together with provision for the Supreme Court to make a substituted serious crime use property declaration to the effect that an interest in property of a person who is engaged in serious crime related activity is available for forfeiture instead of the serious crime use property that was actually used.

The amendments to the *CAR Act* also included a provision to clarify that property liable to forfeiture under the *CAR Act* includes the proceeds of the sale of serious crime derived property under the Act, unless expressly ordered by the Supreme Court that the property ceased to be serious crime derived property (s 9(5)(d) of *CAR Act*).

Crimes (Serious Crime Prevention Orders) Act 2016

The *Crimes (Serious Crime Prevention Orders) Act* introduced a scheme for the making of a Serious Crime Prevention Order ('SCPO') into New South Wales. SCPOs are controlled orders that can be made by the New South Wales Supreme and District Courts against certain individuals or organisations in order to prevent, restrict or disrupt their involvement in serious crime related activities and terrorism offences. The Act provides for the Commission, along with the DPP and the Commissioner of NSW Police, to apply for SCPOs. The enactment of the Act attracted significant public comment, much of it based on a misunderstanding of the purpose of the legislation. The Commission actively supported the passing of the laws with the expectation that, on what will probably be rare occasions, SCPOs will be sought largely against commercial entities or individuals who facilitate organised crime, particularly in the form of counter surveillance or money laundering.

Terrorism (Police Powers) Amendment Act 2015

The *Terrorism (Police Powers) Act 2002* ('the *TPP Act*') was amended with effect from 5 November 2015 (by the *Terrorism (Police Powers) Amendment Act 2015*) to remove the power for the Commission to apply for a covert search warrant under Part 3 of the *TPP Act*, leaving the utilisation of such powers solely to the discretion of the Commissioner of NSW Police. The Commission made a submission supporting such amendment in January 2014, at which time a review of Part 3 of the *TPP Act* was being undertaken.

Significant judicial cases impacting on the Commission

Previous annual reports have noted the appellate decisions that impacted upon the use of the coercive powers of the Commission and the introduction of amendments to the *Crime Commission Act* in November 2014, which were intended to overcome the perceived limitations upon the use of the powers. The issue remains live however as litigation from other states which have not made similar amendments continue to generate appellate decisions on the topic. Attempts have also been made to extend the principles identified by the High Court to situations in which witnesses had not been charged. However, the High Court seems to be disinclined to extend the issue further and in *R v Independent Broad-Based Anti-Corruption Commissioner [2016] HCA 8* have expressly excluded the "companion principle" on situations in which a person has not been charged. The result is that the decision of the New South Wales Court of Appeal in *SD v New South Wales Crime Commission [2013] NSWCCA 48*, to like effect remains good law.

The Commission has sought and been granted by the Supreme Court leave pursuant to s 35A of the *Crime Commission Act* to take evidence from an accused person about an offence with which they have been charged. The applications have been thoroughly scrutinised by the judges of the Supreme Court to whom the applications have been made and the decisions to grant leave have been accompanied by reasoned judgments.

Decisions by the Commission to issue summonses to witnesses have been separately challenged in the Supreme Court. In one case it was contended that it was wrong for the

summons to be issued ex parte without providing the witness with a right to be heard before the issue of the summons. That application was dismissed (*SA v NSW Crime Commission [2015] NSWSC 1979*). In another application it was contended that the decision to issue a summons was flawed because a copy of the decision to issue the summons and a statement of reasons was not provided. That application was also dismissed (*Zakaria (as Tutor for SA) v New South Wales Crime Commission [2016] NSWSC 506*).

It has also been contended that it is inappropriate for the Commission to issue summonses to witnesses who are under the age of 18. Obviously, each case needs to be assessed on its merits, but it is unfortunately the fact that persons under the age of 18 become involved in terrorist activity and, in the course of assisting in those investigations, the Commission will not restrict the use of its powers because the person of interest may be a juvenile.

Subpoenas to produce documents served on the Commission

Probably as a result of the extensive publicity of the appellate decisions affecting the use of the coercive powers, there had been an increase in the number of subpoenas served on the Commission requiring the production of documents. However with the introduction of the amendments to the *Crime Commission Act*, subpoenas relating to those issues have abated although some are still current.

The Commission does routinely receive orders from courts requiring production of a wide range of documents. Most of the subpoenas received are too wide, lack legitimate forensic purpose, and/or seek material that is properly the subject of a claim for public interest immunity. Many specify materials to which the secrecy provisions of the *Crime Commission Act* apply.

Even when the terms are appropriately narrowed, dealing with the subpoenas takes substantial time of both investigative staff in identifying the documents that are caught and Commission lawyers in examining the documents – often with investigators – in order to determine whether there can be production, either completely or with appropriate redactions, or whether the court should be moved to set the subpoena aside. If that course is followed, the Commission is required to retain the Crown Solicitor's Office in all matters where a claim of public interest immunity is to be made.

Further legal resources are taken up with liaison with other law enforcement agencies whose documents and other materials have been provided to the Commission, in order to ensure that the Commission's production of those documents is not inappropriate having regard to that agency's position

Challenges to Commission determinations

Under subs. 33 (3) of the *Crime 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 apply to the Court for a review of the determination.

CC v New South Wales Crime Commission [2015] NSWSC 1866 (8 December 2015)

The plaintiff was summoned by the Commission to give evidence about a shooting offence. He appeared before the Commission but a number of adjournments ensued and the summons eventually became spent. A second summons was issued but, when he was asked questions at the hearing, he declined to answer them, claiming in substance that he was not obliged to answer them since he was a suspect and his answers would or, at least, might well, be communicated to police who were investigating the offence in which it was suspected he was involved.

The Assistant Commissioner ordered him to answer the questions. The plaintiff's counsel indicated that he wished to seek a review of the Commissioner's order in the Supreme Court pursuant to s 33 of the *Crime Commission Act*. The Assistant Commissioner, in anticipation of the present proceedings, asked a series of questions which, on his refusing to do so, formally ordered the plaintiff to answer.

On 9 October 2015, CC filed a summons in the Supreme Court seeking a review under s 33 (3), together with ancillary relief. The matter came on for hearing before the Honourable Justice Adams on 9 November 2015. The plaintiff (and the defendant by way of response) filed further submissions by leave. On 13 November 2015, Adams J ordered that the summons be dismissed and affirmed the decision of the Commission.

On 16 November 2015, CC filed a notice of intention to appeal, but it was never pursued.

Applications and proceedings involving the Commission

There have been seven applications made to the Supreme Court for a review of leave being granted pursuant to the granting of leave under s 35(5) of the *Crime Commission Act*. These proceedings are continuing.

There have been no applications made pursuant to s 38 of the *Crime Commission Act* for a review of determinations made pursuant to s 36(5).

Four applications were made to Courts pursuant to ss 45 (4) and orders sought pursuant to ss 45 (5) of the *Crime Commission Act*. On each occasion, the court granted certificates to the Commission requiring certain evidence be made available to the Court. On one occasion, the application was subsequently withdrawn. On one occasion, the Court ruled that the evidence should not be made available. On two occasions, the Court ruled that limited redacted evidence should be made available.

RECOMMENDATIONS FOR LEGISLATIVE CHANGE

With the enactment of the legislation referred to above, the requests for legislative change have been met, and the Commission has no current recommendations for further amendments that are appropriate for inclusion in this report.

PART V - CORPORATE SERVICES DIVISION

Management Team

The Commission's Management Team, consisting of the Commissioner, two Assistant Commissioners and four Directors, is responsible for the management of the Commission. During the reporting period, the Management Team consisted of Mr Hastings, Mr Bodor, Mr Inkster (1 June 2015 to 16 December 2015), Mr Dein (1 February to 30 June 2016), the Director (Criminal Investigations), the Director (Financial Investigations), the Director (Corporate Services), the Director (Legal Services) and the Manager (Governance Unit) (as an observer). The Management Team met weekly throughout the year.

Corporate Plan 2014-16

In July 2014, the Commission developed and published the 2014-2016 Corporate Plan. The Plan includes clear tactical goals with detailed strategies as to how these will be achieved.

In June 2015 and subsequently in December 2015, the Management Team reviewed the progress made towards achieving the agreed goals and strategies. The Commission has progressed in all the specified goals areas and completed the majority of the activities during the reporting period. It is anticipated at the next review the Commission will identify and implement the next series of corporate planning goals.

The published Corporate Plan has been updated to reflect this progress. It can be reviewed at Appendix E of this report.

Organisational structure

On 1 February 2016, Mr Dein was appointed as Assistant Commissioner (Operations) for a two year term following the retirement of Mr Inkster at the end of his term.

The previous Director Legal Services retired on 15 April 2016. A new Director Legal Services has been appointed to join the management team in the 2016-2017 reporting period. He has extensive experience as a lawyer in law enforcement and is a welcome addition to the Executive Team.

During the reporting period the Commission, as part of the *GSE Act* reform, commenced the development of the senior executive implementation plan, to transition equivalent executive level staff to the Public Service Senior Executive (PSSE). The implementation plan was developed in consultation with the Public Service Commission and approved by the Public Service Commissioner on 27 May 2016. The implementation will modify the composition of the management team (senior executive) of the Commission. The plan will be fully implemented by the agreed transition date of 30 November 2016.

A chart illustrating the Commission's organisational structure as at 30 June 2016 can be found at Appendix F. A chart illustrating the Commission's PSSE structure as agreed with the Public Service Commissioner can be found at Appendix G.



Commission personnel

Under the *Crime 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 2016, the NSW Crime Commission Staff Agency employed 143 staff members. As at the last pay fortnight in 2015-2016, adjusting to take into account part-time working arrangements, the Commission had 126.42 full-time equivalent employees, five of whom were on parental leave.

The Commission had three statutory officers at 30 June 2016, being the Commissioner and two Assistant Commissioners. In its special determination dated 25 June 2015, which was effective from 1 July 2015, the Statutory and Other Offices Remuneration Tribunal set the remuneration of the Commissioner at \$472,770 per annum on a salary packaging basis and the Assistant Commissioner at \$427,775 per annum.

The Commission did not employ anyone who is a member of the State's Senior Executive Service. This position will change as the Commission implements the senior executive implementation plan, with the transition of management staff, excluding statutory officers, to the PSSE.

Personnel numbers as at 30 June 2016, and as at 30 June in the three preceding years, were as follows:

Personnel

Table 21

Personnel category	2012-13	2013-14	2014-15	2015-16
Statutory officers	3	3	2	3
Senior Executive Service	0	0	0	0
<i>PSE&M Act</i> , ch. 2	3	N/A	N/A	N/A
<i>PSE&M Act</i> , ch. 1A (permanent)	139	N/A	N/A	N/A
<i>PSE&M Act</i> , ch. 1 (casual)	0	N/A	N/A	N/A
<i>GSE Act</i> (ongoing)	N/A	139	133	132
<i>GSE Act</i> (temporary)	N/A	0	6	2
<i>GSE Act</i> (casual)	N/A	2	5	6
Total	145	144	146	143

It is to be noted that of its 143 staff the Commission employs 83 females and 60 males.

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, staff of the 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).

Corporate projects

The Corporate Services Division has continued the development and implementation of numerous enterprise wide projects during the reporting period. These have been implemented to address enterprise wide issues of performance, compliance and support requirements.

Electronic Documents Records Management Implementation

The Commission through the work of the Information and Records Management and Information Communication Technology teams completed the implementation of an Electronic Documents Records Management System (EDRMS) which had commenced in 2014-2015. This base level system continues to be integrated across the Commission and ongoing related projects will enhance the system through the introduction of electronic workflows to support many operational and administrative systems and processes through the Commission. The Commission's Digital Information and Security Policy Attestation can be found at Appendix H.

Financial Management, Budget and Reporting

The Commission has implemented a number of projects within the financial management, budget and reporting domain that have focused upon the improvement of processes and reporting systems. The introduction of an initial cost centre management approach, reporting, and forecasting arrangements have significantly improved the Commission's financial management performance.

Human Resources Capability Framework implementation

The Commission has been actively engaged in implementing the NSW Government HR Capability Framework as part of the introduction of the *GSE Act*. The Commission has embedded most of the capability framework requirements, best practices and approaches. This has involved the development or transition of many of the Commission's policies, procedures and processes. Final completion is expected in the 2016-2017 reporting period.

ICT Strategic Plan

The Commission developed and implemented a 5-year ICT Strategic Plan 2015-2020. This plan followed extensive reviews of the current state of ICT capacity and capabilities and engagement throughout the Commission to develop a roadmap for future ICT capability. The plan is reviewed quarterly and is focused upon being operation led and capability driven. The key initial priorities involve the reform of the Commission's core ICT infrastructure and development of a sound ICT platform to support the Commission's operations and enterprise solutions effectively and efficiently.

Review of ICT infrastructure

The Commission has undertaken a program of phased reviews of ICT services as part of the development of the ICT Strategic Plan. Key has been the review of the aging ICT infrastructure which provides the core of ICT services that support the effective operation and administration of the Commission. This has led to a number of critical projects including:

- a) infrastructure and security reviews – detailed reviews of the ICT systems, networks and environments leading to updating of technical documentation and architecture in preparation for transforming the ICT system
- b) business case – the development and submission of a detailed business case to secure funding to transform the ICT infrastructure and data centre operations of the Commission and transition to GovDC in accordance with Government policy and directions
- c) transition to GovDC – the development of a market approach to GovDC marketplace providers to develop a solution for the transformation of the Commission's aged ICT infrastructure and data centre operations and transition to the GovDC environment.

Technology hardware refresh

A key component of the ICT Strategic Plan 2015-2020 was the delivery of a major technology refresh to the Commission. The Commission has updated the long overdue replacement of front-end desktop equipment including computers, notebooks and multi-function devices for printing and copying.

PART VI - CORPORATE GOVERNANCE

During the last three years, the Governance Unit has developed a solid foundation for governance arrangements at the Commission. During 2015-2016, the team continued to build upon and refine the suite of documents previously produced whilst introducing additional strategies designed to mature and enhance the Commission's existing approach to governance, in accordance with the Corporate Governance Framework.

Internal governance

Planning framework

In recent years the Commission introduced a Performance Management Framework which requires staff and managers to develop individual performance management plans. These plans are periodically reviewed during the year with a specific mid-cycle review scheduled. The Commission has also developed guides, tools and templates to assist and guide staff through the performance management process.

Performance reporting

During the reporting period, a number of existing operational reports were enhanced and refined with a view to assisting management with workload and resource allocation. The reports assist with key decisions in relation to current and future workloads. The Commission has a number of measures relating to operational matters that continue to be reported upon in the annual report.

The measures in Table 22 are reported in the annual budget allocation for the Commission. The service group covers the collection of evidence and intelligence for the prosecution of serious criminal offenders and the disruption of organised crime. It also covers the restraint and confiscation of assets accumulated through the conduct of criminal activities.

Service Measures

Table 22

Criminal Investigations and Confiscation of Assets					
Service Measures	2013-2014 Actual	2014-2015 Actual	2015-2016 Forecast	2015-2016 Revised	2016-2017 Forecast
Charges*	684	520	200	380	360
Restraining orders	60	54	70	75	75
Asset forfeiture orders	40	42	45	25	25
Proceeds assessment orders	24	35	45	30	30
Unexplained wealth orders	1	3	5	10	10
Employees (FTE)	128	130	136	133	136

* The name of this service measure was referred to as 'Arrests' prior to the 2013-14 Budget papers.

Committees and structures

The existing suite of key committees and meetings that forms the basis of the Commission governance arrangements continued to operate during the reporting period. From time to time working groups were formed with members drawn from across the Commission to consider and resolve specific policy issues affecting Commission operations. The introduction of legislative changes under the *TIA Act* that commenced in October 2015 is one example.

Legislative Working Group

In the reporting period the Commission established a Legislative Working Group composed of the Commissioner, as Chair, the Assistant Commissioner (Legal), the Assistant Commissioner (Operations), the Director (Financial Investigations), the Director (Criminal Investigations) and the Director Legal Services, with support from the Governance Manager and Policy and Projects Officer. The purpose of the Legislative Working Group is to provide a structured approach to legislative review and the drafting of amendments, to consider the legislative change proposals submitted by members of staff, to participate in statutory reviews and to prepare for legislative change that may impact the Commission.

Employee conduct

Internal communications

The Commission's intranet, *OurSource*, provides up-to-date information for staff on a range of topics, and is the communications portal for all-staff announcements and alerts.

A3 posters in lift lobbies inform staff about upcoming events and the release of new policies.

The Commissioner continues to deliver a half yearly staff update for the purpose of providing an overview of current issues and matters impacting the work of the Commission and the staff.

Conduct

The Commission's Code of Conduct continues to be refined to ensure it remains current. Additions and amendments are made to the Commission's suite of policies on an on-going basis. Commission employees are asked to attest on an annual basis that they have and will continue to comply with the Code of Conduct and underpinning policies. The Code of Conduct is available on the Commission's website.

Training

The Commission has implemented a learning and development framework to support a culture of continuous learning for all Commission staff. The framework provides an emphasis on learning opportunities, including experiential learning, on the job training, secondment opportunities and access to formal internal and external training courses. A training budget has been established for each division to provide funding for prioritised external training courses. The focus is to provide opportunities to enhance existing skill sets, provide networking opportunities and keep staff abreast of current practices.

The Commission also provides opportunities for continued professional development and facilitates a study support scheme, including access to study leave and flexible working arrangements.

During the reporting period, regular educational seminars (including expert guest speakers from academia and partner agencies) were held to update staff on operational and technical matters.

Employee Assistance Program

The Commission's external Employee Assistance Provider continues to provide services to employees and is actively promoted to staff. The Commission has supported internal initiatives to promote staff wellbeing and resilience.

Ethics Committee

The Commission's 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. Representatives from across the Commission comprise the members of the Ethics Committee.

Fraud and corruption control

Following on from the 2013 survey, in March 2016 the Commission issued a second Fraud and Corruption Staff Awareness Survey. The survey was mandatory and the approach was to ask the same questions of staff that were asked in the 2013 survey with a view to identifying any trends or areas where further work may be required. The 2016 survey was responded to by over 100 Commission staff which was an increase when compared to the 2013 survey. Overall the results were generally positive with 98% of staff agreeing that they were aware of the Commission's stance on fraud and corruption. Since the 2016 survey, work continued to refine existing corporate policies as and when required, including any ethical dilemmas or issues raised at the Ethics Committee meeting. In addition, further Ethics training was planned for delivery later in the year as was a comprehensive review of the Commissions' fraud and corruption risk register.

Internal controls

Internal audit

The Commission's internal audit function remained compliant with the provisions of Treasury Guidelines and Policy Paper TPP 15-13 Internal Audit and Risk Management Policy for the NSW Public Sector, which superseded TPP 09-05.

The Commission used a co-sourced model to undertake internal audits. That is, the in-house internal audit resources were augmented as necessary with the resources of an external service provider. A wide range of largely operational audits were carried out, including audits of staff accessing external databases and compliance with Commission policies and procedures.

All audit reports were tabled at the quarterly meetings of the Commission's Audit and Risk Committee. The Committee ensured the accountability of the internal audit function by also overseeing the development and execution of the 2015-2016 internal audit program and also

overseeing progress of management actions being implemented in response to audit recommendations.

Delegations

The Commission continues to maintain financial, operational and administrative delegations which are made available to staff.

Policies and procedures

During the reporting period the Governance Unit developed and released a series of corporate policies to underpin the Code of Conduct and further populate the Commission's suite of governing documents. These policies standardise the approach to a range of situations and provide consistency and equity. Some of the policies and other corporate documents added in the period include:

- Language allowance policy and procedures
- Temporary assignments policy and procedures
- Procurement policy
- Social media policy
- Personal use of Commission resources policy
- Privacy Management Plan
- Workforce Diversity Policy
- Complaints handling policy and procedures
- Training and development policy

Risk management

The Commission's Risk Management Framework also remained compliant with the provisions of TPP 15-03.

Organisational risks registers were maintained at both the Executive and Divisional levels. In recognition of the importance of integrity to the Commission's operations, separate fraud and corruption risk registers were also maintained.

Risk registers continued to be reviewed and updated periodically to provide assurance regarding the effective ongoing management of risks. Furthermore, some risks were escalated on an ad hoc basis during the year. Operational Risk and Threat Assessment Tools are in place so that Commission staff can better manage operational situations that have an inherent risk of injury.

The Commission's annual internal audit plan was also risk-based.

External stakeholder relationships

In February 2016 the Commission finalised its first Stakeholder Management Plan. In its initial state the plan is designed to document existing relationships, so that strategies to improve relationships with key stakeholders can be developed.

External reporting

Proactive disclosure

The Commission has published some information on its website. Due to the nature of the Commission's business the information on the website remains comparatively static. A new design for the website has been approved. The website includes the Corporate Plan, publications, an avenue to make a complaint, the Organised Crime Disruption Strategy, information about subpoenas to the Commission and links to relevant websites.

Statutory reporting

Under "Right to Information" the Commission has published material as required by the *GIPA Act*. This includes an "Information Guide", the Disclosure Log and the Code of Conduct. Our information relating to Government contract disclosure requirements has also been published on the website. The Commission continues to meet its obligations in relation to statutory reporting including reports and information required at either a State or Commonwealth level. This includes those required by the Ombudsman and those required under the following Acts: *Public Interest Disclosures Act ('PID Act')*, *LEPR Act*, *SD Act* and *Terrorism (Police Powers) Act*.

Annual report

The production of the annual report is coordinated by the Governance Unit. The report is available on the Commission's website.

External audit

The Audit Office of NSW provides reasonable assurance that the Commission's financial statements:

- give a true and fair view of the financial position, financial performance and cash flows of the Commission in accordance with Australian Accounting Standards
- are in accordance with s 41B of the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2015.

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 Ministry for Police and Emergency Services, 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 Parliamentary Joint Committee ('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 Police Integrity Commission ('PIC').

Internal audit and risk management

In October 2015 the Commission's Internal Auditor retired and was replaced by an externally-recruited and fully qualified Senior Internal Auditor. Additionally the Commission's outsourced service provider of internal audit services, IAB, a Government entity, was wound up by the government in December 2015. This led to a reduction in the number of audits being outsourced to an external service provider while maintaining the ongoing completion of in-house audits of staff accesses of external databases. Management and the Audit & Risk Committee believe that, notwithstanding the above events, appropriate review of the Commission's systems of internal control and risk management were undertaken.

The 2015-2016 annual audit plan was developed using the three-year audit plan as a guide and also taking into account the Commission's risk profile and previous audit coverage. The audits undertaken were mainly of sensitive operational areas. Two of the scheduled audits were not completed prior to year end and will be completed during 2016-2017.

The Commission's Management Team received and reviewed all audit reports issued during the year. These reports were also tabled and discussed at Audit and Risk Committee ('ARC') meetings. The Governance Unit followed up on the status and implementation of management responses to agreed recommendations, reporting back on progress to the next ARC meeting.

The Senior Internal Auditor also provided a range of risk management services. A key development during the year was the creation and implementation of a number of operational risk and threat assessment tools. These are for use in operational situations where there exists a heightened potential for injury. The Senior Internal Auditor facilitated a range of operational and workplace health and safety risk assessments through the year as well as providing risk management training to a range of operational personnel.

The Commission's approved Risk Management Policy was in compliance with TPP 15-03 and operated throughout the year. A separate policy and procedures document was produced during the year in order to support the implementation of the Operational Risk Assessment and Threat Assessment Tools. The Risk Management Policy was updated to acknowledge and reference these tools as part of the Commission's overall risk framework. Both policies will be periodically reviewed to ensure they remain current.

The Commission's risk registers are maintained by the Governance Unit. Risks rated as critical or high are formally reviewed at least annually by the Commission's Management Team. Risks rated as medium and low are also reviewed at least annually by the relevant risk owners.

The Commission's Audit and Risk Management Attestation can be found at Appendix I.

Audit and Risk Committee

The Commission's ARC 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 and risk management function as required by TPP 15-03.

During the year the Commission's ARC undertook the following:

- reviewed the operation of internal controls and internal audit activity at the Commission, including a review of the adequacy of resourcing of internal audit;

- reviewed the Commission's financial statements and financial reporting arrangements generally;
- assessed the outcomes of internal audit reports in relation to the risks and controls pertaining to the Commission's corporate and operational areas;
- reviewed the timeliness and appropriateness of management responses to audit recommendations;
- monitored the effectiveness of risk management strategies and internal audit results;
- reviewed the status of governance arrangements and controls, including those pertaining to fraud and risk; and
- liaised with the external auditor and monitored the NSW Audit Office Client Services Plan for 2015-2016.

The ARC reports to the Commissioner on a strictly advisory basis in accordance with Government / Treasury policy. The Commissioner is under no obligation to accept any advice from the ARC as the Commissioner has overall responsibility and accountability for the management of the Commission.

The Commission's ARC consisted of an independent chair, Mr Peter Lucas; an independent member Mr Tim Holden, who replaced Mr Peter Whitehead; and a non-independent member, who is a member of the Management Team and holds the position of Director (Financial Investigations). During the reporting period, all members of the ARC met on a quarterly basis to fulfil the requirements outlined in the ARC charter. In line with the new requirements of TPP 15-03, the ARC membership will transition to a fully independent membership during 2016-2017, with a new independent member replacing the non-independent member on the ARC.

A number of permanent invitees continued to attend the ARC meetings during the reporting period. These included the Commissioner, the Governance Manager in the capacity of Chief Audit Executive, the Internal Auditor or Senior Internal Auditor, the Director (Corporate Services), the Inspector of the Commission, representatives of the third party internal audit service provider (as required), and representatives of the NSW Audit Office.

Achievements of the Audit and Risk Committee

The key achievements of the ARC for this reporting period have been as follows:

- monitoring the execution of the 2015-2016 internal audit plan as approved
- continued monitoring and review of the activities undertaken by the internal audit function including risk management
- continued monitoring of the maturing governance arrangements at the Commission, which are aligned to the Commission's Corporate Governance Framework
- monitoring of strategies deployed to improve administration and corporate services at the Commission
- reviewing management's assessment of key risks and controls as described in the Commission's Risk Registers
- reviewing the progress of key corporate projects and the management of associated risks
- monitoring Commission progress in relation to compliance with key government policies and directives

- reviewing the budget allocated to the audit and risk activity as a proportion of the Commission's annual recurrent budget.

External oversight of the Commission

NSW Ombudsman

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

- s 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 for covert search warrants were made)
- s 49(1) of the *SD Act* (the report is publicly available)
- Part 4 of the *LECO Act* (the report is publicly available).

The Commission is a public authority for the purposes of the *Ombudsman Act 1974* and in some circumstances its conduct is liable to investigation by the Ombudsman.

In October 2012 Mr David Levine QC, in his capacity as the Inspector of the PIC and pursuant to s 90(f) of the *Police Integrity Commission Act 1996*, referred to the Ombudsman for investigation a number of matters concerning allegations of misconduct by members and staff of the Commission and NSWPF who were engaged in Operation Mascot and in a subsequent joint investigation by the PIC and the Commission known as Operation Florida. The investigation by the Ombudsman continued throughout the reporting period and in itself has been the subject of parliamentary inquiries. The Commission has used its best endeavours to co-operate with the Ombudsman, particularly in producing relevant documentation, which presented challenges given the lapse of time since the relevant conduct. The Commission has been served with provisional findings, comment and recommendations relating to the Commission and has responded to the extent possible with limited access to the evidence obtained in the course of the investigation.

Commonwealth Ombudsman

The Commonwealth Ombudsman audits the Commission's compliance with requirements contained in the *TIA Act*.

The Commonwealth Ombudsman's delegates inspected the Commission on 1 December 2015. The purpose of the visit was to review the Commission's implementation of the data retention amendments to the *Telecommunications (Interception and Access) Act 1979*. The Commission is yet to receive this report.

The 2015-2016 audit of stored communications occurred on 19 September 2016.

The 2015-2016 audit of telecommunications data occurred on 17 October 2016.

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
- 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. He 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 a 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 values the role of the Inspector in maintaining the integrity of the conduct of the Commission and its staff. The Commission has collaborated with the Inspector in identifying areas of the operations of the Commission that are most sensitive and susceptible to risk and, during the reporting period, the Inspector audited the Commission's human source management practices, settlements of confiscation proceedings pursuant to the *CAR Act* and the making of controlled operation authorities.

The Commission has kept the Inspector informed of any complaints of misconduct against the staff of the Commission by providing copies of any notifications to the PIC pursuant to s 75D of the *Police Integrity Commission Act 1996* ('*PIC Act*').

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

Parliamentary Joint Committee

Since the commencement of the *Crime Commission Act*, the Commission has fallen under the oversight of the Parliamentary Joint Committee on the Office of the Ombudsman, the Police Integrity Commission and the Crime Commission ('PJC').

In accordance with s 71 of the *Crime Commission Act*, the functions of the PJC are as follows:

- 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
- 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 Police Integrity Commission ('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.

Internal complaints

During the reporting period, the Commission reviewed, updated and issued its Complaints Handling Policy and Procedures, adding both internal and external complaint procedures. The Commission also has a work-related Grievance Handling Policy and an Internal Reporting Policy.

The Commission is committed to properly addressing complaints and encourages staff to raise problems or complaints with their supervisors and the Management Team if required. 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 two internal complaints about Commission staff.

Complaints about the Commission

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

Details of how to make a complaint are on the Commission's website and are:

Mail	Fax	Email
Complaints Officer NSW Crime Commission PO Box Q566 SYDNEY NSW 1230	Complaints Officer 02 9269 3809	complaints@crimecommission.nsw.gov.au

Contact details of the Inspector and the PIC can also be found on the Commission's website.

During the reporting period the Commission did not receive any complaints.

Reporting to the PIC

The Commission 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 six such matters to the PIC that related to current or former Commission employees including those referred to above.

Public Interest Disclosures

The Commission has an Internal Reporting Policy that has been communicated to staff and is accessible on the intranet.

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's Annual Report under s 31 of the *PID Act* is reproduced at Appendix J. Its report under s 6CA of the *PID Act* is reproduced at Appendix K.

PART VII - OTHER REPORTING REQUIREMENTS

2015-2016 Annual Report

Both the *Crime Commission Act* and the *Annual Reports (Departments) Act 1985* ('*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 *Crime 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 *Crime Commission Act*, the *Annual Reports Act*, the *Annual Reports (Departments) Regulation 2010* ('the *Annual Reports Regulation*'); the *GIPA Act*, NSW *Government Digital Information Security Policy 2.0* April 2015; the *PID Act*, Treasury Circulars 11/21, 14/31, 15/05, 15/07 and 15/18; Premier's Circular 00-68; Premier's Memoranda 2000-15, 2006-02, 1991-34 2002-07, 2004-05, 2009-01, 2011-22, 2013-09 and 2013-13; Public Service Commission Circular 2014-09, 2015-07, 2016-05; Treasurer's direction 205.01, and Treasury policy TPP 15-03.

The *Crime 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.

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

Agreement with Multicultural NSW

In September 2006, the Commission entered into a memorandum of understanding with the Community Relations Commission (now Multicultural NSW) 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 Multicultural NSW 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 Supreme Court in accordance with the agreement.

Building management

The Commission is located on Kent Street Sydney. Overall management of the Commission's premises during the reporting period is undertaken by Government Property NSW (GPNSW), with some building and financial responsibilities falling to the Commission, particularly with regard to fit out of the building and enhanced security facility provision.

The Commission works with GPNSW to undertake a routine program of work to maintain service and upgrade the building to address key environmental conditions of the building. However, during the reporting period GPNSW continued an assessment of the building for potential disposal of it and relocation of the Commission. This has led to postponement of remediation works to the premises by GPNSW and resultant issues with the working and operating environment of the Commission, including the air-conditioning infrastructure.

The Commission has entered into a dialogue with GPNSW to settle options for the future accommodation of the Commission. This work is expected to continue into the 2016-2017 reporting period.

Commission publications

All of the Commission's annual reports, the 2014-2016 Corporate Plan, the Organised Crime Disruption Strategy and the Code of Conduct are available on the Commission's website.

Consultants

The Commission did not engage any consultants during the 2015-2016 reporting period.

Privacy

The Commission continues to comply with its Privacy Management Plan. The Commission has appointed a privacy officer, who has a dedicated email address to receive complaints – privacyofficer@crimecommission.nsw.gov.au. There were no complaints or reviews under the *PPIP Act* during 2014-2015.

During the reporting period, the Commission undertook an audit of its compliance with the *PPIP Act* and the *Health Records and Information Privacy Act 2002*. Minor recommendations were made and there were no findings of non-compliance.

Public access to government information

The Commission is bound by the *GIPA Act*, although its investigative and reporting functions are listed in Schedule 2 to the *GIPA Act*. The *Crime Commission Act* is not listed in Schedule 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
Email: governmentinformationofficer@crimecommission.nsw.gov.au

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 L.

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 23

Aged analysis at the end of each quarter – All suppliers					
Quarter	Current (within due date) (\$'000)	Less than 30 days overdue (\$'000)	31 to 60 days overdue (\$'000)	60 to 90 days overdue (\$'000)	More than 90 days overdue (\$'000)
Sep-15	3,529	43	0	0	0
Dec-15	3,008	172	0	0	7
Mar-16	2,590	130	3	0	2
Jun-16	3,880	61	0	6	0

Table 24

Aged analysis at the end of each quarter – Small business suppliers					
Quarter	Current (within due date) (\$'000)	Less than 30 days overdue (\$'000)	31 to 60 days overdue (\$'000)	61 to 90 days overdue (\$'000)	More than 91 days overdue (\$'000)
Sep-15	44	4	0	0	0
Dec-15	113	0	0	0	0
Mar-16	97	0	0	0	0
Jun-16	215	6	0	0	0

Table 25

Total accounts paid on time				
Quarter	Target (%)	Actual (%)	Total paid (\$)	Total due (\$)
Sep-15	85	99	3,528,994	3,572,498
Dec-15	85	94	3,007,551	3,186,511
Mar-16	85	95	2,589,954	2,724,767
Jun-16	85	98	3,379,806	3,446,509

Table 26

Accounts due or paid within each quarter				
Measure	September 2015	December 2015	March 2016	June 2016
All suppliers				
Number of accounts due for payment	383	398	386	428
Number of accounts paid on time	375	375	365	406
Actual percentage of account paid on time (based on number of accounts)	98%	94%	95%	95%
Dollar amount of accounts due for payment*	3,572,498	3,186,511	2,724,767	3,446,509
Dollar amount of accounts paid on time*	3,528,994	3,007,551	2,589,954	3,379,806
Actual percentage of accounts paid on time (based on amount)	99%	94%	95%	98%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0
Small business suppliers				
Number of accounts due for payment	48	43	67	108
Number of accounts paid on time	47	43	64	106
Actual percentage of account paid on time (based on number of accounts)	98%	100%	96%	98%
Dollar amount of accounts due for payment*	44,092	113,037	97,464	214,681
Dollar amount of accounts paid on time*	40,352	113,037	92,492	208,987
Actual percentage of accounts paid on time (based on amount)	92%	100%	95%	97%
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 the reporting period conformed to its corporate credit card policy. The policy is based on 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 2015-2016, the Commission made 5 insurance claims, compared to 4 claims made in 2014-2015. 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 2015-2016, a number of Commission officers attended international conferences and courses, in most cases travel and related subsistence costs were met by participants

- a) One senior member attended the Leadership in Counter Terrorism Program Conference, USA (travel and subsistence costs met by the program organisers)
- b) One officer attended joint investigation operations as part of an on-going investigation with other Australian law enforcement agencies, USA (all costs met by the Commission)
- c) Three officers attended the International Conference on Transnational Organised Crime and Terrorism, USA (travel and subsistence costs met by the personnel)
- d) Two officers attended the International Masterclass and Conference for Investigative Interviewing, UK (travel and subsistence costs met by the personnel)

Purchase of major assets

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

Purchase of major assets

Table 27

Asset	Cost
Building refurbishment	\$16,930
ICT hardware	\$347,295
Computer software	\$833,375
Motor vehicles	\$111,351
Surveillance equipment	\$231,315
Other plant and equipment	\$50,267
Total	\$1,590,533

AUDITED FINANCIAL STATEMENTS



**NEW SOUTH WALES CRIME COMMISSION
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

New South Wales Crime Commission

**Financial Statements for the
year ended 30 June 2016**

STATEMENT BY COMMISSIONER

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, I state that:

- (a) The accompanying financial statements and notes 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 2015* and
 - the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.
- (b) The statements present a true and fair view of the financial position as at 30 June 2016 and financial performance 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 Hastings
Commissioner



Michael Wilde
Executive Director, Corporate Services

Dated: 29 September 2016



INDEPENDENT AUDITOR'S REPORT

New South Wales Crime Commission

To Members of the New South Wales Parliament

Opinion

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 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Commission and the consolidated entity. The consolidated entity comprises the Commission and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Commission and the consolidated entity as at 30 June 2016, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of the Commission and the consolidated entity in accordance with the auditor independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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.

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

Commissioner's Responsibility for the Financial Statements

The Commissioner is responsible for preparing 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner must assess the ability of the Commission and the consolidated entity to continue as a going concern unless operations will be dissolved by an Act of Parliament or otherwise cease. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

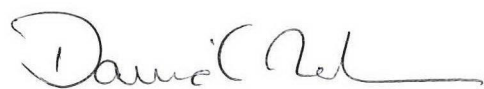
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>.

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Commission or the consolidated entity carried out their activities effectively, efficiently and economically
- 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.



David Nolan
Director, Financial Services

29 September 2016
SYDNEY

Start of audited financial statements

NEW SOUTH WALES CRIME COMMISSION
Statement of comprehensive income for the year ended 30 June 2016

	Notes	<u>Consolidated</u>			<u>Statutory Corporation</u>	
		Actual	Budget	Actual	Actual	Actual
		2016	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000
Expenses excluding losses						
Operating expenses						
Employee related	2(a)	16,933	17,090	17,154	-	-
Other operating expenses	2(b)	5,424	5,737	5,495	5,424	5,495
Personnel services	2(c)	-	-	-	16,079	16,164
Depreciation and amortisation	2(d)	1,666	1,280	1,326	1,666	1,326
Total Expenses excluding losses		24,023	24,107	23,975	23,169	22,985
Revenue						
Investment revenue	3(a)	-	-	75	-	75
Grants and contributions	3(b)	21,635	21,635	22,847	21,635	22,847
Acceptance by the Crown Entity of employee benefits and other liabilities	3(c)	854	641	990	-	-
Other revenue	3(d)	82	52	33	82	33
Total Revenue		22,571	22,328	23,945	21,717	22,955
Gain/(loss) on disposal	4	9	-	-	9	-
Net result	19	(1,443)	(1,779)	(30)	(1,443)	(30)
Other comprehensive income		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME		(1,443)	(1,779)	(30)	(1,443)	(30)

The accompanying notes form part of these financial statements.

NEW SOUTH WALES CRIME COMMISSION
Statement of financial position as at 30 June 2016

	Notes	<u>Consolidated</u>		<u>Statutory Corporation</u>		
		Actual	Budget	Actual	Actual	Actual
		2016	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Current Assets						
Cash and cash equivalents	5	606	602	1,976	606	1,976
Receivables	6	678	556	1,000	666	586
Total Current Assets		1,284	1,158	2,976	1,272	2,562
Non-Current Assets						
Receivables	7	43	134	144	43	132
Property, plant and equipment	8					
- Land and buildings		111	111	111	111	111
- Plant and equipment		2,140	2,403	2,093	2,140	2,093
Intangible assets	9	4,110	4,616	4,279	4,110	4,279
Total Non-Current Assets		6,404	7,264	6,627	6,404	6,615
Total Assets		7,688	8,422	9,603	7,676	9,177
LIABILITIES						
Current Liabilities						
Payables	11	275	852	759	275	268
Borrowings at amortised cost	12	12	12	55	-	-
Provisions	13	1,716	1,930	1,650	1,763	1,828
Total Current Liabilities		2,003	2,794	2,464	2,038	2,096
Non-Current Liabilities						
Borrowings at amortised cost	15	-	-	12	-	-
Provisions	14	47	25	46	-	-
Total Non-Current Liabilities		47	25	58	-	-
Total Liabilities		2,050	2,819	2,522	2,038	2,096
Net Assets		5,638	5,603	7,081	5,638	7,081
EQUITY						
Accumulated funds		5,638	5,603	7,081	5,638	7,081
Total Equity		5,638	5,603	7,081	5,638	7,081

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 2016

	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2015	7,081	7,081
Net result for the year	(1,443)	(1,443)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(1,443)</u>	<u>(1,443)</u>
Balance at 30 June 2016	<u>5,638</u>	<u>5,638</u>
Balance at 1 July 2014	7,111	7,111
Net result for the year	(30)	(30)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(30)</u>	<u>(30)</u>
Balance at 30 June 2015	<u>7,081</u>	<u>7,081</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 2016

	Notes	<u>Consolidated</u>		<u>Statutory Corporation</u>		
		Actual	Budget	Actual	Actual	Actual
		2016	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(16,503)	(16,787)	(16,177)	(16,558)	(16,387)
Other		(5,907)	(5,370)	(6,783)	(5,907)	(6,783)
Total Payments		(22,410)	(22,157)	(22,960)	(22,465)	(23,170)
Receipts						
Interest received		34	18	87	34	87
Grants and contributions		21,635	21,635	22,847	21,635	22,847
Other		961	462	1,144	961	1,144
Total Receipts		22,630	22,115	24,078	22,630	24,078
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	220	(42)	1,118	165	908
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of property, plant and equipment		55	-	5	55	5
Purchases of property, plant and equipment		(770)	(890)	(404)	(770)	(404)
Purchase of intangibles		(820)	(1,000)	(1,167)	(820)	(1,167)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,535)	(1,890)	(1,566)	(1,535)	(1,566)
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayments of borrowings and advances		(55)	(55)	(210)	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		(55)	(55)	(210)	-	-
NET INCREASE / (DECREASE) IN CASH		(1,370)	(1,987)	(658)	(1,370)	(658)
Opening cash and cash equivalents		1,976	2,589	2,634	1,976	2,634
CLOSING CASH AND CASH EQUIVALENTS	5	606	602	1,976	606	1,976

The accompanying notes form part of these financial 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.

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, and like transactions and other events are accounted for using uniform accounting policies.

The consolidated financial statements for the year ended 30 June 2016 have been authorised for issue by the Commissioner on 29 September 2016.

(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 accruals basis and 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 2015* 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 is measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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 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 achievement of 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.

(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 NSW GGS entities.

1. Summary of Significant Accounting Policies (continued)

(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 an asset's cost of acquisition 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. Comments regarding the accounting policies for the recognition of income are discussed below.

(i) Grants and contributions

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.

(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*.

(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 its 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 over the period of credit.

(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.

1. Summary of Significant Accounting Policies (continued)

(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 takes 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 and minimise unobservable 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 an approximation of fair value. The Commission has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets, 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.

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 or an amount that approximates 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 identifiable components of assets are depreciated separately over their useful lives.

1. Summary of Significant Accounting Policies (continued)

Land is not a depreciable asset. The rates of depreciation, applied to relevant categories of assets are set out in the following table.

Depreciation asset category	Rate (%)
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 rewards incidental to the ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

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. The lease payments are allocated between the principal component and the interest expense.

Operating lease payments are recognised as an expense on a straight-line basis over the term of the lease.

(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 Commission'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.

1. Summary of Significant Accounting Policies (continued)

(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 Commission 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.

(xi) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Commission transfers the financial asset:

- where substantially all the risks and rewards have been transferred or
- where the Commission has not transferred substantially all the risks and rewards, if the Commission has not retained control

Where the Commission has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Commission's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(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 derecognition.

Finance lease liabilities are 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 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).

1. Summary of Significant Accounting Policies (continued)

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 9.29% 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 its 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 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 at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 15/09) 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.

(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 maximises the use of relevant observable inputs and minimise the use of unobservable inputs. Under AASB 13, the Commission categories, 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 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).

1. Summary of Significant Accounting Policies (continued)

(m) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangement Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements is explained in Note 18.

(n) Comparative information

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

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

(i) Effective for the *first* time in 2015-16

The accounting policies applied in 2015-16 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2015-16.

- AASB 2013-9 (Part C), AASB 2014-1 (Part E) and AASB 2014-8 regarding amendments to AASB 9 Financial Instruments
- AASB 2015-3 regarding withdrawal of AASB 1031 Materiality

The impact of these Standards in the period of initial application is immaterial.

(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 and AASB 2014-7 regarding financial instruments
- AASB 15, AASB 2014-5 and AASB 2015-8 regarding Revenue from Contracts with Customers
- AASB 1057 and AASB 2015-9 Application of Australian Accounting Standards
- AASB 2014-4 regarding acceptable methods of depreciation and amortisation
- AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle
- AASB 2015-2 regarding amendments to AASB 101 (disclosure initiative)
- AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities
- AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

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>	
	<u>Actual</u> <u>2016</u> <u>\$'000</u>	<u>Actual</u> <u>2015</u> <u>\$'000</u>	<u>Actual</u> <u>2016</u> <u>\$'000</u>	<u>Actual</u> <u>2015</u> <u>\$'000</u>
(a) Employee related expenses				
Salaries and wages (including recreation leave)	13,854	13,790	-	-
Superannuation - defined benefit plans	135	124	-	-
Superannuation - defined contribution plans	1,170	1,181	-	-
Long service leave	738	921	-	-
Workers' compensation insurance	74	74	-	-
Payroll tax and fringe benefit tax	869	890	-	-
Other	93	174	-	-
	<u>16,933</u>	<u>17,154</u>	<u>-</u>	<u>-</u>
(b) Other operating expenses include the following:				
Auditor's remuneration				
- audit of the financial statements	46	48	46	48
Operating lease rental expense				
- minimum lease payments	1,888	1,435	1,888	1,435
Bad & doubtful debts	-	3	-	3
Maintenance*	35	75	35	75
Insurance	18	9	18	9
Office utilities	226	313	226	313
Office supplies	266	278	266	278
Computer services	330	149	330	149
Travel expenses	48	64	48	64
Motor vehicle expenses	79	83	79	83
Service and legal fees	912	1,056	912	1,056
Telecommunications	562	732	562	732
Maintenance agreements	848	797	848	797
Other	166	453	166	453
	<u>5,424</u>	<u>5,495</u>	<u>5,424</u>	<u>5,495</u>
* Reconciliation - Total Maintenance				
Maintenance expense - contracted labour and other (non-employee related), as above	35	75	35	75
Personnel services maintenance expense included in Note 2(a)	49	48	-	-
Total maintenance expenses included in Note 2(a) and 2(b)	<u>84</u>	<u>123</u>	<u>35</u>	<u>75</u>
(c) Personnel services				
NSW Crime Commission Staff Agency	-	-	16,079	16,164
	<u>-</u>	<u>-</u>	<u>16,079</u>	<u>16,164</u>

2. **Expenses Excluding Losses (continued)**

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(d) Depreciation and amortisation expense				
Depreciation				
- Plant and equipment	154	140	154	140
- Computer equipment	498	496	498	496
- Motor vehicles	25	21	25	21
	<u>677</u>	<u>657</u>	<u>677</u>	<u>657</u>
Amortisation	989	669	989	669
Total Depreciation and amortisation	<u>1,666</u>	<u>1,326</u>	<u>1,666</u>	<u>1,326</u>

3. **Revenues**

(a) Investment revenue				
Interest revenue from financial assets not at fair value through profit and loss	-	75	-	75
	<u>-</u>	<u>75</u>	<u>-</u>	<u>75</u>
(b) Grants and contributions				
Recurrent grants	19,745	21,547	19,745	21,547
Capital grants	1,890	1,300	1,890	1,300
	<u>21,635</u>	<u>22,847</u>	<u>21,635</u>	<u>22,847</u>
(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	125	133	-	-
Long service leave	723	850	-	-
Payroll tax	6	7	-	-
	<u>854</u>	<u>990</u>	<u>-</u>	<u>-</u>
(d) Other revenue				
Miscellaneous income	82	33	82	33
	<u>82</u>	<u>33</u>	<u>82</u>	<u>33</u>
4. Gain / (Loss) on Disposal				
Written down value of assets sold/scrapped	(46)	(5)	(46)	(5)
Proceeds from disposal	55	5	55	5
	<u>9</u>	<u>-</u>	<u>9</u>	<u>-</u>

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

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank and on hand	606	1,976	606	1,976
	<u>606</u>	<u>1,976</u>	<u>606</u>	<u>1,976</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)	606	1,976	606	1,976
Closing cash and cash equivalents (per statement of cash flows)	<u>606</u>	<u>1,976</u>	<u>606</u>	<u>1,976</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	1	12	1	12
Interest receivable	-	34	-	34
Operational expenses to be recouped	46	62	46	62
Employee debtors	12	55	-	-
Other debtors	175	104	175	104
Prepayments	444	733	444	374
	<u>678</u>	<u>1,000</u>	<u>666</u>	<u>586</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**

Professional Costs to be recovered	43	132	43	132
Employee Debtors	-	12	-	-
	<u>43</u>	<u>144</u>	<u>43</u>	<u>132</u>

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

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

	<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
At 1 July 2015 - fair value						
Gross carrying amount	111	8,042	8,153	111	8,042	8,153
Accumulated depreciation	-	(5,949)	(5,949)	-	(5,949)	(5,949)
Net carrying amount	<u>111</u>	<u>2,093</u>	<u>2,204</u>	<u>111</u>	<u>2,093</u>	<u>2,204</u>
At 30 June 2016 - fair value						
Gross carrying amount	111	8,303	8,414	111	8,303	8,414
Accumulated depreciation	-	(6,163)	(6,163)	-	(6,163)	(6,163)
Net carrying amount	<u>111</u>	<u>2,140</u>	<u>2,251</u>	<u>111</u>	<u>2,140</u>	<u>2,251</u>

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

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:

	<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
Year ended 30 June 2016						
Net carrying amount at start of year	111	2,093	2,204	111	2,093	2,204
Additions	-	770	770	-	770	770
Disposals	-	(46)	(46)	-	(46)	(46)
Depreciation expense	-	(677)	(677)	-	(677)	(677)
Net carrying amount at end of year	111	2,140	2,251	111	2,140	2,251

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 10.

	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 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	111	2,351	2,462	111	2,351	2,462
At 30 June 2015 - fair value						
Gross carrying amount	111	8,042	8,153	111	8,042	8,153
Accumulated depreciation	-	(5,949)	(5,949)	-	(5,949)	(5,949)
Net carrying amount	111	2,093	2,204	111	2,093	2,204

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
Year ended 30 June 2015						
Net carrying amount at start of year	111	2,351	2,462	111	2,351	2,462
Additions	-	404	404	-	404	404
Disposals	-	(5)	(5)	-	(5)	(5)
Depreciation expense	-	(657)	(657)	-	(657)	(657)
Net carrying amount at end of year	111	2,093	2,204	111	2,093	2,204

9. Intangible Assets

	<u>Consolidated</u>	<u>Statutory</u> <u>Corporation</u>
	Total	Total
	\$'000	\$'000
At 1 July 2015		
Cost (gross carrying amount)	7,011	7,011
Accumulated amortisation and impairment	(2,732)	(2,732)
Net carrying amount	<u>4,279</u>	<u>4,279</u>
At 30 June 2016		
Cost (gross carrying amount)	7,792	7,792
Accumulated amortisation and impairment	(3,682)	(3,682)
Net carrying amount	<u>4,110</u>	<u>4,110</u>
Year ended 30 June 2016		
Net carrying amount at start of year	4,279	4,279
Additions	820	820
Disposals	-	-
Amortisation (recognised in "depreciation and amortisation")	(989)	(989)
Net carrying amount at end of year	<u>4,110</u>	<u>4,110</u>
At 1 July 2014		
Cost (gross carrying amount)	5,844	5,844
Accumulated amortisation and impairment	(2,063)	(2,063)
Net carrying amount	<u>3,781</u>	<u>3,781</u>
At 30 June 2015		
Cost (gross carrying amount)	7,011	7,011
Accumulated amortisation and impairment	(2,732)	(2,732)
Net carrying amount	<u>4,279</u>	<u>4,279</u>
Year ended 30 June 2015		
Net carrying amount at start of year	3,781	3,781
Additions	1,167	1,167
Disposals	-	-
Amortisation (recognised in "depreciation and amortisation")	(669)	(669)
Net carrying amount at end of year	<u>4,279</u>	<u>4,279</u>

The majority of Intangible assets represent computer software, including specialised enterprise software.

10. Fair value measurement of non-financial assets

(a) Fair value hierarchy	Level 1	Level 2	Level 3	Total
Property, plant and equipment (Note 8)	\$'000	\$'000	\$'000	fair value
Land and buildings	-	111	-	111
Plant and equipment	-	2,140	-	2,140
	<u>-</u>	<u>2,251</u>	<u>-</u>	<u>2,251</u>

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

10. **Fair value measurement of non-financial assets (continued)**

(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.

11. **Current Liabilities - Payables**

	Consolidated		Statutory Corporation	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Accrued salaries, wages and on-costs	-	491	-	-
Creditors	123	54	123	54
Accrued other operating expenses	152	214	152	214
	275	759	275	268

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

12. **Current Liabilities - Borrowings**

Unsecured

Finance leases (see Note 16(c))	12	55	-	-
	12	55	-	-

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**

Employee benefits and related on-costs

Provision for personnel services	-	-	1,763	1,828
Recreation leave	1,175	1,123	-	-
Long service leave on-costs	541	527	-	-
Total provisions	1,716	1,650	1,763	1,828

14. **Non-Current Liabilities - Provisions**

Employee benefits and related on-costs

Long service leave on-costs	47	46	-	-
Total provisions	47	46	-	-

Aggregate employee benefits and related on-costs

Provisions - current	1,716	1,650	-	-
Provisions - non-current	47	46	-	-
Accrued salaries, wages and on-costs (Note 11)	-	491	-	-
	1,763	2,187	-	-

15. **Non-Current Liabilities - Borrowings**

Unsecured

Finance leases (see Note 16 (c))	-	12	-	-
	-	12	-	-

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

16. Commitments for Expenditure

(a) Capital Commitments

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Aggregate capital expenditure for the acquisition of computer related items contracted for at balance date and not provided for:				
Not late than one year	156	423	156	423
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	156	423	156	423

The above capital commitments included the GST amount of \$14,144.04 (\$38,496 as at 30 June 2015) 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	2,148	2,148	2,148	2,148
Later than one year and not later than five years	8,590	8,590	8,590	8,590
Later than five years	6,443	8,590	6,443	8,590
Total (including GST)	17,181	19,328	17,181	19,328

Note:

(i) 453 Kent Street was leased back from State Property Authority (GPNSW) to the Commission 1 July 2009.

(ii) The above operating lease commitments included the GST amount of \$1,561,878 (\$1,757,114 as at 30 June 2015) 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:

Not later than one year	12	55	-	-
Later than one year and not later than five years	-	12	-	-
Minimum lease payments	12	67	-	-
Less: future finance charges	(1)	(3)	-	-
Present value of minimum lease payments	11	64	-	-

16. Commitments for Expenditure (continued)

The present value of finance lease commitments is as follows:

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Not later than one year	12	55	-	-
Later than one year and not later than five years	-	12	-	-
	<u>12</u>	<u>67</u>	<u>-</u>	<u>-</u>
Classified as:				
Current (Note 12)	12	55	-	-
Non-current (Note 15)	-	12	-	-
	<u>12</u>	<u>67</u>	<u>-</u>	<u>-</u>

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

17. Contingent Liabilities and Contingent Assets

Contingent Liabilities

A number of claims have been made against the Commission during the financial year. One claim has been resolved following the withdrawal from the claimant. One claim remains in dispute. Management believe there is very little chance of the claim resulting in a material liability being owed by the Commission. The Commission received two additional claims which have yet to be quantified.

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 \$336 thousand. This is primarily due to an increase in the Acceptance by the Crown Entity of employee benefits of \$213 thousand due to the annual present value adjustment.

There was a slight underspend in the area of employee related expenses due to delayed recruitment. The underspend in other operating expenses has offset the increased cost of depreciation and amortisation.

The actual reported net result loss of \$1,443 thousand was due to a Treasury direction for the Commission to utilise surplus cash at bank to partially fund operating expenses for the financial year. This enabled the Commission to reduce cash holdings to the designated cash buffer. This was achieved by reduced grant funding received for the financial year. This was in compliance with Treasury Circular TC 15/01 *Cash Management - Expanding the Scope of the Treasury Banking System*, dated 19 January 2015.

Assets and liabilities

Total current assets were higher than the budget by \$126 thousand.

Total non-current assets were lower than the budget by \$860 thousand. This is primarily due to a lower carrying amount of fixed asset values, a result of the Commission not expending the full capital grant and the increased amortisation cost base of instangible assets.

Total current liabilities were lower than the budget by \$791 thousand. This is due to a lower than expected annual leave provision and lower than projected payables.

Total non-current liabilities were higher than the budget by \$22 thousand.

18. Budget Review (continued)

Cash flows

The cash flows from operating activities were higher than the budget by \$262 thousand. This was due to underspending in the areas of other operating expenses and employee related expenses.

The cash flows from investing activities were lower than the budget by \$355 thousand. This was a result of the Commission not expending the full capital grant and the minor proceeds from sale of plant and equipment.

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

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Net cash used on operating activities	220	1,118	165	908
Depreciation & amortisation	(1,666)	(1,326)	(1,666)	(1,326)
Adjustment for salary packaged vehicle lease	(55)	(210)	-	-
(Increase) in provisions	(67)	57	65	380
Increase in receivables and other assets	(423)	(31)	(9)	(180)
Decrease / (increase) in borrowings	55	210	-	-
(Increase) in creditors	484	152	(7)	188
Net gain / (loss) on sale of plant and equipment	9	-	9	-
Net result	<u>(1,443)</u>	<u>(30)</u>	<u>(1,443)</u>	<u>(30)</u>

20. Administered Assets

The Commission as part of a previous operational practice during the course of criminal investigations seized funds under various legislative powers, which were not a result of confiscations under the Criminal Assets Recovery Act. These funds were received following activities such as search warrants, notices to produce and other activities. In some cases these funds had no clear position as to its title or disposition. The funds were 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 is not treated as an asset of the Commission. These funds are administered by the NSW Trustee and Guardian. An amount of \$84,024 was being held on behalf of the Commission as at 30 June 2016 (\$1,412,668 as at 30 June 2015).

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 and Risk Committee on a continuous basis.

21. *Financial Instruments (continued)*

(a) **Financial instrument categories**

Financial Assets	Note	Category	Carrying Amount	
			2016	2015
Class:			\$'000	\$'000
Cash and cash equivalents	5	N/A	606	1,976
Receivables ¹	6 & 7	Loans and receivables at amortised cost	102	273

Financial Liabilities	Note	Category	Carrying Amount	
			2016	2015
Class:			\$'000	\$'000
Payables ²	11	Financial liabilities measured at amortised cost	218	758
Borrowings	12 & 15	Financial liabilities measured at amortised cost	12	67

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.

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 (2016: \$93,061; 2015: \$62,769) and less than 3 months past due (2016: \$3,838; 2015: \$639) are not considered impaired. Together, these represent 68% of the total trade debtors. No provision for doubtful debts have been made as all amounts are considered to be collectable.

21. Financial Instruments (continued)

	\$'000		
	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
2016			
< 3 months overdue	4	4	-
3 - 6 months overdue	2	2	-
> 6 months overdue	43	43	-
2015			
< 3 months overdue	1	1	-
3 - 6 months overdue	7	7	-
> 6 months overdue	135	135	-

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.

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Nominal Amount	\$'000 Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non- interest Bearing	<1 yr	1-5 yrs	>5 yrs
			2016					
Payables		218	-	-	218	218	-	-
Borrowings								
Finance leases	4%	12	-	-	12	12	-	-
		230	-	-	230	230	-	-
2015								
Payables		54	-	-	54	54	-	-
Borrowings								
Finance leases	4%	67	-	-	67	55	12	-
		121	-	-	121	109	12	-

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Commission can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

21. Financial Instruments (continued)

(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.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for the interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2015. The analysis assumes that all other variables remain constant.

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	-1%		1%	
		Profit	Equity	Profit	Equity
2016					
<i>Financial Assets</i>					
Cash and cash equivalents	606	(6)	(6)	6	6
Receivables	102	(1)	(1)	1	1
<i>Financial liabilities</i>					
Payables	218	(2)	(2)	2	2
Borrowings	12	-	-	-	-
2015					
<i>Financial Assets</i>					
Cash and cash equivalents	1,976	(20)	(20)	20	20
Receivables	273	(3)	(3)	3	3
<i>Financial liabilities</i>					
Payables	758	(8)	(8)	8	8
Borrowings	67	(1)	(1)	1	1

(e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the 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 2016

New South Wales Crime Commission Staff Agency

**Financial Statements for the
year ended 30 June 2016**

STATEMENT BY COMMISSIONER

Pursuant to section 41C of the *Public Finance and Audit Act 1983*, I state that:

- (a) The accompanying financial statements and notes 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 2015*.
- (b) The statements present a true and fair view of the financial position as at 30 June 2016 and financial performance 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 Hastings
Commissioner



Michael Wilde
Executive Director, Corporate Services

Dated: 29 September 2016



INDEPENDENT AUDITOR'S REPORT

New South Wales Crime Commission Staff Agency

To Members of the New South Wales Parliament

Opinion

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 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Staff Agency as at 30 June 2016, 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 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of the Staff Agency in accordance with the auditor independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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.

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

Commissioner's Responsibility for the Financial Statements

The Commissioner is responsible for preparing 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner must assess the Staff Agency's ability to continue as a going concern unless the Staff Agency will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>.

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Staff Agency carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented.



David Nolan
Director, Financial Services

29 September 2016
SYDNEY

Start of audited financial statements

NEW SOUTH WALES CRIME COMMISSION STAFF AGENCY
Statement of comprehensive income for the year ended 30 June 2016

	Notes	Actual 2016 \$'000	Actual 2015 \$'000
Expenses excluding losses			
Employee related	2	16,933	17,154
Total Expenses excluding losses		16,933	17,154
Revenue			
Personnel Services - NSW Crime Commission		16,079	16,164
Acceptance by the Crown Entity of employee benefits and other liabilities		854	990
Total revenue		16,933	17,154
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		-	-

The accompanying notes form part of these financial statements.

NEW SOUTH WALES CRIME COMMISSION STAFF AGENCY
Statement of financial position as at 30 June 2016

	Notes	Actual 2016 \$'000	Actual 2015 \$'000
ASSETS			
Current Assets			
Receivables	3	1,775	2,242
Total Current Assets		1,775	2,242
Non-Current Assets			
Receivables	4	-	12
Total Non-Current Assets		-	12
Total Assets		1,775	2,254
LIABILITIES			
Current Liabilities			
Payables	5	-	491
Borrowings	6	12	55
Provisions	7	1,716	1,650
Total Current Liabilities		1,728	2,196
Non-Current Liabilities			
Borrowings	9	-	12
Provisions	8	47	46
Total Non-Current Liabilities		47	58
Total Liabilities		1,775	2,254
Net Assets		-	-
EQUITY			
Accumulated funds		-	-
Total Equity		-	-

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 2016

	Actual	Actual
	2016	2015
	\$'000	\$'000
Balance at 1 July 2015	-	-
Net result for the year	-	-
Other comprehensive income:	-	-
Total other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year ending 30 June 2016	<u>-</u>	<u>-</u>
Balance at 1 July 2014	-	-
Net result for the year	-	-
Other comprehensive income:	-	-
Total other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year ending 30 June 2015	<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 2016

	Actual	Actual
	2016	2015
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee related	16,933	17,154
Total Payments	16,933	17,154
Receipts		
Cash reimbursements from the Crown Entity	854	990
Other	16,079	16,164
Total Receipts	16,933	17,154
NET CASH FLOWS FROM OPERATING ACTIVITIES	-	-
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET INCREASE/(DECREASE) IN CASH	-	-
Opening cash and cash equivalents	-	-
CLOSING CASH AND CASH EQUIVALENTS	-	-

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 NSW Government Entity, 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 Staff Agency is a controlled entity of the New South Wales Crime Commission.

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

The financial statement for the year ending 30 June 2016 was authorised for issue by the Commissioner on 29 September 2016.

(b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*

Generally, the historical cost basis of accounting has been adopted and the financial statements do not take into account changing money values or current valuations. However, certain provisions are measured at fair value. See notes 7 and 8.

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 financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Income recognition

Income is measured at the fair value of the consideration or contribution 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.

(e) 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.

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

(f) 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 Staff Agency 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 for 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.

1. Summary of Significant Accounting Policies (continued)

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.

(g) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Commission transfers the financial asset:

- where substantially all the risks and rewards have been transferred or
- where the Commission has not transferred substantially all the risks and rewards, if the Commission has not retained control

Where the Commission has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Commission's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(h) 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.

(i) 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.

Finance lease liabilities are determined in accordance with AASB 117.

(j) 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 using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 9.29% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Staff Agency 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 assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

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

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 15/09) 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.

(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) Leased assets

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

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.

(l) 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.

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

(i) Effective for the first time in 2015-16

The accounting policies applied in 2015-16 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2015-16.

- AASB 2013-9 (Part C), AASB 2014-1 (Part E) and AASB 2014-8 regarding amendments to AASB 9 Financial Instruments
- AASB 2015-3 regarding withdrawal of AASB 1031 Materiality

The impact of these Standards in the period of initial application is immaterial.

(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 and AASB 2014-7 regarding financial instruments
- AASB 15, AASB 2014-5 and AASB 2015-8 regarding Revenue from Contracts with Customers
- AASB 1057 and AASB 2015-9 Application of Australian Accounting Standards
- AASB 2014-4 regarding acceptable methods of depreciation and amortisation
- AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle
- AASB 2015-2 regarding amendments to AASB 101 (disclosure initiative)
- AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities
- AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

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

	2016	2015
	\$'000	\$'000
2. Expenses		
Employee related expenses		
Salaries and wages	13,854	13,790
Superannuation - defined benefit plans	135	124
Superannuation - defined contribution plans	1,170	1,181
Long service leave	738	921
Workers' compensation insurance	74	74
Payroll tax and fringe benefit tax	869	890
Other	93	174
	<u>16,933</u>	<u>17,154</u>

3. Current Assets - Receivables

Employee Debtors	12	55
Prepayments	-	359
NSW Crime Commission	1,763	1,828
	<u>1,775</u>	<u>2,242</u>

Details regarding credit risk, liquidity risk and market risk including financial assets that are either due or impaired are disclosed in Note 13.

4. Non-Current Assets - Receivables

Employee Debtors	-	12
	<u>-</u>	<u>12</u>

Details regarding credit risk, liquidity risk and market risk including financial assets that are either due or impaired are disclosed in Note 13.

5. Current Liabilities - Payables

Accrued salaries, wages and on-costs	-	491
	<u>-</u>	<u>491</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 13.

6. Current Liabilities - Borrowings

Unsecured

Finance leases	12	55
	<u>12</u>	<u>55</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 13.

	2016 \$'000	2015 \$'000
7. Current Liabilities - Provisions		
Employee benefits and related on-costs		
Recreation Leave	1,175	1,123
Long Service Leave on-costs	541	527
	1,716	1,650
8. Non-Current Liabilities - Provisions		
Employee benefits and related on-costs		
Long Service Leave on-costs	47	46
	47	46
Aggregate employee benefits and related on-costs		
Provisions - current	1,716	1,650
Provisions - non-current	47	46
Accrued salaries, wages and on-costs (Note 5)	-	491
	1,763	2,187
9. Non-Current Liabilities - Borrowings		
Unsecured		
Finance leases	-	12
	-	12
10. 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 and the Staff Agency has approval under the *Public Authorities (Financial Arrangements) Act 1987*.

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

	2016 \$'000	2015 \$'000
Finance Lease Commitments		
Not later than one year	12	55
Later than one year and not later than five years	-	12
Minimum lease payments	12	67
Less: future finance charges	(1)	(3)
Present value of minimum lease payments	11	64

The present value of finance lease commitments is as follows:

Not later than one year	12	55
Later than one year and not later than five years	-	12
	12	67
Classified as:		
Current (Note 6)	12	55
Non current (Note 9)	-	12
	12	67

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

11. *Contingent Liabilities*

The Staff Agency is not aware of any contingent liabilities that will materially affect its financial position as at the reporting date (2015: nil).

12. *Contingent Assets*

The Staff Agency is not aware of any contingent assets that will materially affect its financial position as at the reporting date (2015: nil).

13. *Financial Instruments*

The Staff Agency's principal financial instruments are outlined below. 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.

(a) *Financial instrument categories*

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
			2016	2015
Class:			\$'000	\$'000
Receivables ¹	3	Loans and receivables at amortised cost	1,775	1,895

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
			2016	2015
Class:			\$'000	\$'000
Payables ²	5	Financial liabilities measured at amortised cost	-	491
Borrowings	6 & 9	Financial liabilities measured at amortised cost	12	67

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.

13. Financial Instruments (continued)

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 borrowings are held by the New South Wales Crime Commission and are not a liability to 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 borrowings are held by the New South Wales Crime Commission.

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 borrowings are held by the New South Wales Crime Commission.

(e) Fair value compared to carrying amount

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

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



New South Wales
Crime Commission

Law Enforcement (Powers and Responsibilities) Act 2002

Section 242A

ANNUAL REPORT BY THE
NEW SOUTH WALES CRIME COMMISSION

1 July 2015 –30 June 2016

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 the 2015–2016 reporting year.

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.

UNCLASSIFIED

The Commission made no applications for telephone covert search warrants in the 2015–2016 reporting year, and accordingly, none were granted.

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 the 2015–2016 reporting year.

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 the 2015–2016 reporting year.

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 the 2015–2016 reporting year.

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 the 2015–2016 reporting year.

UNCLASSIFIED

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 referred to in sections 75A and 75B of the Act were exercised.

The Commission did not execute any covert search warrant under which it exercised the powers mentioned in sections 75A and 75B of the Act in the 2015–2016 reporting year.

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 the 2015–2016 reporting year.

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 arrests in connection with searchable offences in respect of which covert search warrants were executed in the 2015–2016 reporting year, and consequently there were no such arrests that led to the laying of charges in relation to the searchable offences concerned.

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.

UNCLASSIFIED

No complaints were made under any Act about conduct relating to the execution of a covert search warrant by an executing officer in the 2015–2016 reporting year, and no such complaints are, or have been, the subject of an investigation under any Act.

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 the 2015–2016 reporting year.



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Peter Bodor QC

Commissioner

22 September 2016



Law Enforcement and National Security (Assumed Identities) Act 2010

Section 35

**ANNUAL REPORT BY THE
NEW SOUTH WALES CRIME COMMISSION**

1 July 2015 to 30 June 2016

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 granted one authority and cancelled no authorities under the Act in 2015-2016.

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 general nature of the activities undertaken by the Commission's assumed identities is to support the covert activities of the Commission in relation to its criminal investigations. This includes the operation of covert bank accounts and covert vehicles.

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 2015-2016.

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.

Under section 37 of the Act the Commission's Senior Internal Auditor conducted an audit of the Commission's use of assumed identities during 2015-2016. This audit did not identify any instances of fraud or unlawful activity.

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 2015-2016.



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Peter Selby Hastings QC
Commissioner
7 September 2016



Surveillance Devices Act 2007

Subsection 45 (3)

ANNUAL REPORT BY THE
NEW SOUTH WALES CRIME COMMISSION

1 July 2015 – 30 June 2016

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 **32** applications seeking the issue of **118** warrants to law enforcement officers under the Act in 2015–2016 with **113** of them being issued. 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 did not make any such emergency applications in 2015–2016. 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 2015–2016. 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 in 2015–2016 and as such no applications were refused so 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 in 2015–2016 and as such no applications were granted or refused so 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 2015–2016.

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 2015–2016.

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 2015–2016.

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
32	113	498	435	304	48	539

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
0	0	0	0	0	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



.....
 Peter Bodor QC
 Commissioner
 9 September 2016



**New South Wales
Crime Commission**

Terrorism (Police Powers) Act 2002

Section 27ZB

**FINAL
ANNUAL REPORT BY THE
NEW SOUTH WALES CRIME COMMISSION**

1 July 2015 – 4 November 2015

Up until 4 November 2015, section 27ZB of the *Terrorism (Police Powers) Act 2002* ('the Act') required 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 was to be provided within 4 months after each 30 June to the Police Minister and the Attorney General and was to be tabled in each House of Parliament as soon as practicable after it is received by the Attorney General.

Since the commencement of the *Terrorism (Police Powers) Amendment Act 2015* on 5 November 2015, the Commission no longer has any authority under the Act, nor a requirement to furnish reports pursuant to section 27ZB of the Act. This report is provided for the pertinent period of the last reporting year in which the Commission had authority under the Act, namely 1 July 2015 – 4 November 2015 (inclusive), and is referable to the provisions of the Act as were in force on 4 November 2015.

This report comprises the final report that the Commission will furnish in relation to the Act.

1. Applications for Covert Search Warrants

Paragraph 27ZB (3) (a) of the Act provided that the report was 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 under the Act between 1 July 2015 and 4 November 2015 (inclusive).

2. Applications for Telephone Warrants

Paragraph 27ZB (3) (b) of the Act provided that the report was to specify the number of applications for telephone warrants and the number of those applications that were granted.

The Commission made no such applications under the Act between 1 July 2015 and 4 November 2015 (inclusive).

3. Covert Search Warrants Executed

Paragraph 27ZB (3) (c) of the Act provided that the report was to specify the number of covert search warrants executed.

The Commission did not execute any covert search warrants under the Act between 1 July 2015 and 4 November 2015 (inclusive).

4. Seizures

Paragraph 27ZB (3) (d) of the Act provided that the report was 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 between 1 July 2015 and 4 November 2015 (inclusive).

5. Substitution of Things

Paragraph 27ZB (3) (e) of the Act provided that the report was 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 between 1 July 2015 and 4 November 2015 (inclusive).

6. Return or Retrieval of Things

Paragraph 27ZB (3) (f) of the Act provided that the report was 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 between 1 July 2015 and 4 November 2015 (inclusive).

7. Recording of Things

Paragraph 27ZB (3) (g) of the Act provided that the report was 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 between 1 July 2015 and 4 November 2015 (inclusive).

8. Use of Electronic Equipment

Paragraph 27ZB (3) (h) of the Act provided that the report was 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 between 1 July 2015 and 4 November 2015 (inclusive).

9. Things Tested

Paragraph 27ZB (3) (i) of the Act provided that the report was 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 between 1 July 2015 and 4 November 2015 (inclusive).

10. Arrests

Paragraph 27ZB (3) (j) of the Act provided that the report was 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 led to the laying of charges in relation to the terrorist act.

The Commission made no arrests in connection with a terrorist act in respect of which a covert search warrant was executed between 1 July 2015 and 4 November 2015 (inclusive), and consequently there were no such arrests that led to the laying of charges in relation to the terrorist act.

11. Complaints Relating to the Execution of a Covert Search Warrant

Paragraph 27ZB (3) (k) of the Act required 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 complaints were made under any Act about conduct relating to the execution of a covert search warrant by an eligible staff member of the Commission between 1 July 2015 and 4 November 2015 (inclusive), and no such complaints are or have been the subject of an investigation under any Act.

12. Other Matters

Paragraph 27ZB (3) (l) of the Act required the Commission to specify any other matters requested by the Police Minister or the Attorney General.

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The Commission received no requests made under this provision between 1 July 2015 and 4 November 2015 (inclusive).

A handwritten signature in blue ink, appearing to read 'Peter Bodor', is positioned above a horizontal dotted line.

Peter Bodor QC

Commissioner

22 September 2016

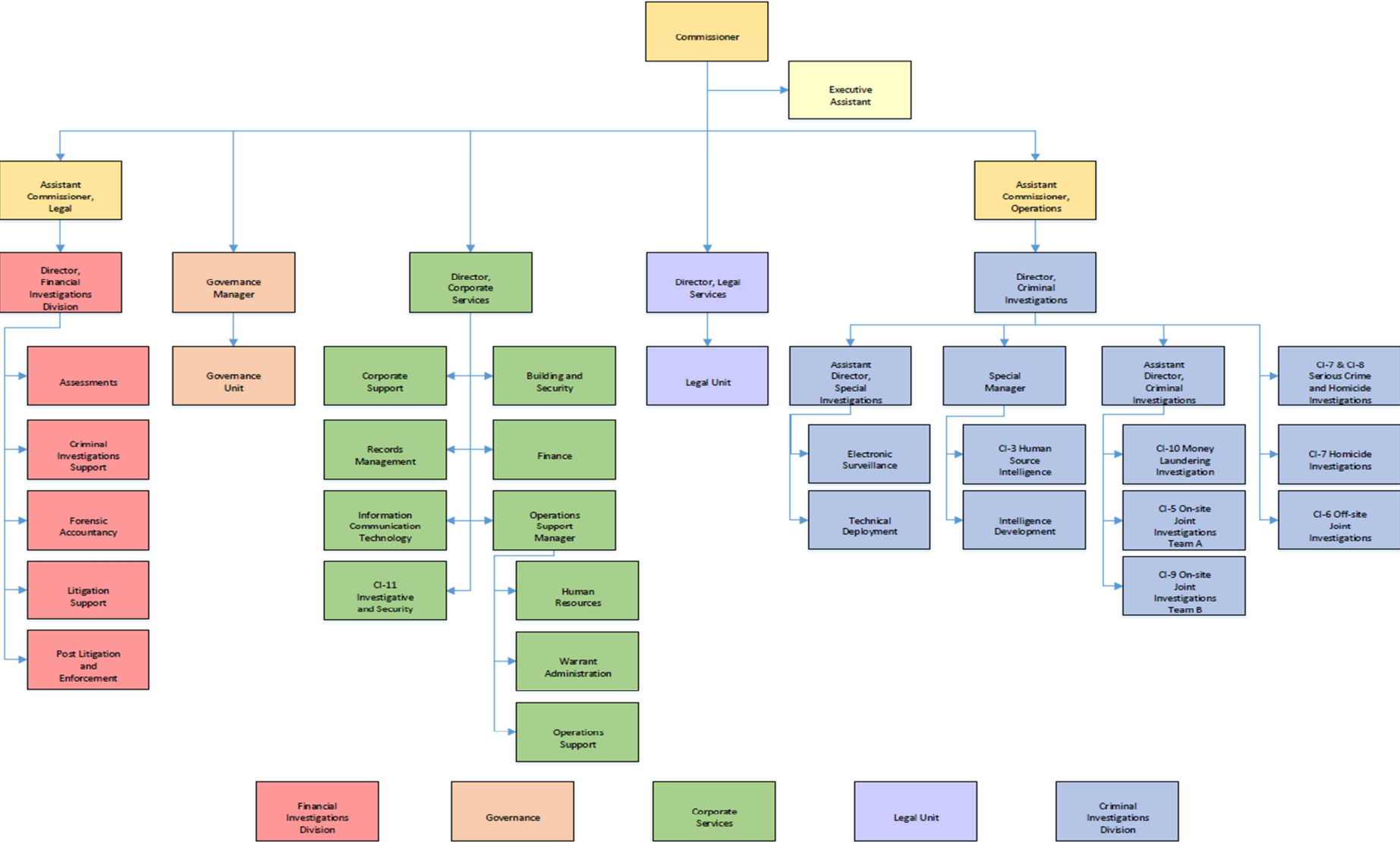
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Appendix E: Corporate Plan

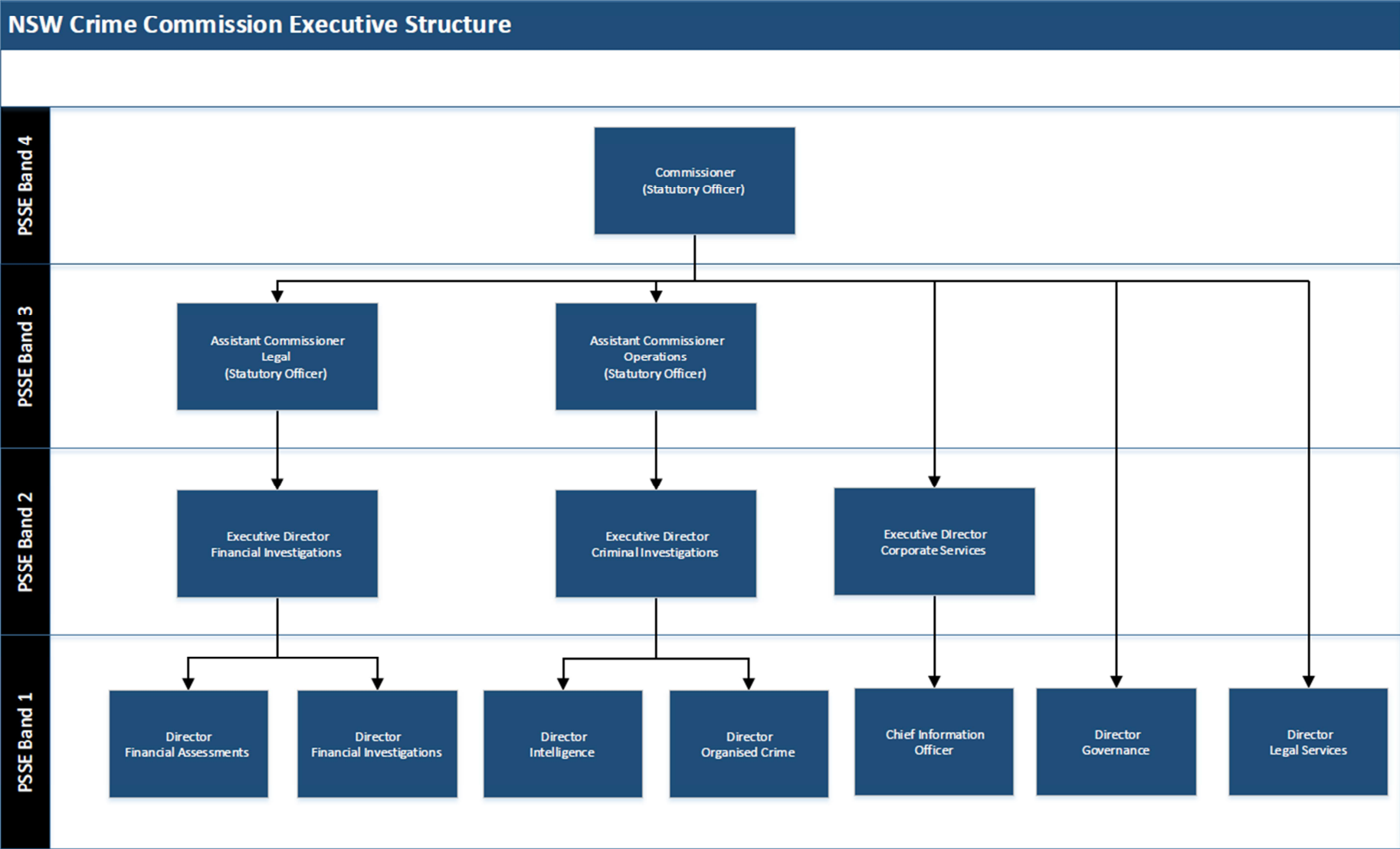
Goals What do we want to achieve?	Strategies What we will do to achieve it?	Progress as at June 2016
Disruption of organised and other serious crime	1. Implement Organised Crime Disruption Strategy.	Strategy implementation in progress.
	2. Expand information and intelligence gathering.	Additional techniques and tools under review.
	3. Enhance intelligence analysis capabilities.	Enhancements in progress.
Maximised confiscation values	1. Broaden identification of confiscation matters.	Strategies currently being deployed.
	2. Evaluate and implement improved tools.	Completed.
	3. Implement new confiscation techniques.	Completed.
Effective collaboration with external stakeholders	1. Consolidate relationships with existing partners.	Forums and mechanisms have been deployed.
	2. Improve arrangements with central agencies.	Completed.
	3. Propose legislative change.	Ongoing.
Improved capability of our people	1. Enhance investigative expertise.	Techniques and training have been deployed.
	2. Develop and implement training strategy.	Completed.
	3. Undertake succession planning for key positions.	Completed.
Enhancement of corporate expertise	1. Embed Corporate Governance Framework.	In progress.
	2. Embed Corporate Services Framework.	Completed.
	3. Consolidate technical capability.	In progress.

Appendix F: Organisational Chart

NSW Crime Commission Organisational Chart



Appendix G: Executive Structure



Appendix H: Digital Information Security Systems Attestation



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Tel +61 2 9269 3888 | Toll Free 1800 02 3143
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Eaglenet 57022

25 September 2016

Digital Information Security Annual Attestation Statement for the 2015-2016 Financial Year for New South Wales Crime Commission

I, Peter Hastings, QC am of the opinion that New South Wales Crime Commission had an Information Security Management System in place during the 2015-2016 financial year that is consistent with the Core Requirements set out in the *NSW Government Digital Information Security Policy*.

The controls in place to mitigate identified risks to the digital information and digital information systems of New South Wales Crime Commission are adequate.

- A. Risks to the digital information and digital information system of the New South Wales Crime Commission have been assessed with an independent ISMS developed in accordance with the *NSW Government Digital Information Security Policy*.

For further information about this matter please contact Mike Wilde on 02 9269 3888 or at mwilde@crimecommission.nsw.gov.au.

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

Peter Hastings, QC
Commissioner
NSW Crime Commission

Appendix I: Internal Audit and Risk Management Attestation



New South Wales Crime Commission

INTERNAL AUDIT AND RISK MANAGEMENT ATTESTATION STATEMENT FOR THE 2015-2016 FINANCIAL YEAR FOR THE NEW SOUTH WALES CRIME COMMISSION

I, Peter Selby Hastings QC, am of the opinion that the New South Wales Crime Commission has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements	For each requirement, please specify whether compliant, non-compliant, or in transition
RISK MANAGEMENT FRAMEWORK	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
INTERNAL AUDIT FUNCTION	
2.1 An Internal Audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
AUDIT AND RISK COMMITTEE	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	In Transition
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Membership

The chair and member of the Audit and Risk Committee are:

- Independent Chair, **Peter Lucas**, Start term date 12 August 2013 (four year term)
- Independent Member, **Timothy Holden**, Start term date 1 July 2015 (three year term)
- Non-independent Member, **Jonathon Spark**, Start term date 20 May 2013, finish term date 30 June 2016

Departure from Core Requirements

I, Peter Selby Hastings, advise that the internal audit and risk management processes for the New South Wales Crime Commission depart from the following core requirement set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*:

The departure from the core requirements is due to the agency implementing measures to achieve compliance with new policy requirements consistent with the permitted transitional arrangements.

Departure	Reason for departure and description of practicable alternative measures implemented/being implemented
In Transition	
Core requirement 3.1	Throughout the 2015/16 financial year the Commission’s Audit and Risk Committee had an independent Chair, one other independent member and one non-independent member, consistent with the requirements of TPP09-05. In line with the revised membership requirement required by TPP15-03, the Commission has recruited, pending the completion of security vetting, a third independent member to replace the current non-independent member. The Commission expects this new member to take up their role on the Audit and Risk Committee at its first meeting for the 2016/17 financial year. This planned change in membership should occur well within the allowed 2-year transition period for meeting the revised requirement.

Peter Selby Hastings QC
NSW Crime Commissioner

01.09.16.

Contact Officer: **Suzette Gay**
Governance Manager
E: sgay@crimecommission.nsw.gov.au
T: 9269 3888



Public Interest Disclosures Act 1994 (NSW)

Section 31

**REPORT BY THE
NEW SOUTH WALES CRIME COMMISSION**

1 July 2015 – 30 June 2016

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 Justice and Police, and a copy of the report is to be provided to the Ombudsman. The required statistics and information are below.

Statistics

	Made by public officials in performing their day to day functions	Under a statutory or other legal obligation	All other public interest disclosures
The number of public officials who have made a public interest disclosure to the Commission	0	0	0

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	Made by public officials in performing their day to day functions	Under a statutory or other legal obligation	All other public interest disclosures
The number of public interest disclosures received by the Commission in total	0	0	0
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?

The Commission had a public interest disclosures policy, titled 'Internal Reporting Policy', in place throughout the reporting period.

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) 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. Throughout the reporting period, posters issued by the Ombudsman have continued to be displayed 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.
2. Throughout the reporting period, Commission employees have continued to have access to the names of current Disclosure Officers and the Internal Reporting Policy via the Commission's Intranet.
3. Throughout the reporting period, Commission employees have been advised about any new or revised policies and to consider and abide by Commission policies, which are all available to staff to read and print through its intranet. One of the intranet pages is titled

'Complaints & Grievances'. Information about the Act and a link to the Internal Reporting Policy appear on that page.

4. In June 2015 Commission employees were directed to declare compliance with the Commission's Code of Conduct. Section 7.3 of such Code of Conduct requires employees to report suspected corrupt conduct, maladministration, and serious and substantial waste of public resources. The section advises employees that disclosures may be made in the first instance to one of the Commission's Disclosure Officers.



.....
Peter Bodor QC

Commissioner

22 September 2016



Public Interest Disclosures Act 1994 (NSW)

Section 6CA

**REPORT BY THE
NEW SOUTH WALES CRIME COMMISSION**

1 January 2016 – 30 June 2016

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

	Made by public officials in performing their day to day functions	Under a statutory or other legal obligation	All other public interest disclosures
The number of public officials who have made a public interest disclosure to the Commission	0	0	0

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	Made by public officials in performing their day to day functions	Under a statutory or other legal obligation	All other public interest disclosures
The number of public interest disclosures received by the Commission in total	0	0	0
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

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 - 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.
2. Throughout the reporting period, Commission employees have continued to have access to the names of current Disclosure Officers and the Internal Reporting Policy via the Commission's Intranet.
3. Throughout the reporting period, Commission employees have been advised about any new or revised policies and to consider and abide by Commission policies, which are all available to staff to read and print through its intranet. One of the intranet pages is titled

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'Complaints & Grievances'. Information about the Act and a link to the Internal Reporting Policy appear on that page.

4. In June 2015 Commission employees were directed to declare compliance with the Commission's Code of Conduct. Section 7.3 of such Code of Conduct requires employees to report suspected corrupt conduct, maladministration, and serious and substantial waste of public resources. The section advises employees that disclosures may be made in the first instance to one of the Commission's Disclosure Officers.



.....
Peter Bodor QC

Commissioner

22 September 2016



Government Information (Public Access) Act 2009

Section 125

ANNUAL REPORT BY THE NEW SOUTH WALES CRIME COMMISSION

1 July 2015 – 30 June 2016

Section 125 of the *Government Information (Public Access) Act 2009* ('the Act') requires the New South Wales Crime Commission ('the 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 Commission's reporting data as required under section 125 of the Act was submitted to the Information and Privacy Commission ('IPC') on 26 September 2016 through the IPC online 'GIPA Tool' reporting application.

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

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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 conducted a review of its program for the release of government information for the 2015–2016 reporting on 6 November 2015. At that time, the Commission considered policy documents for release and identified material that would require updating prior to release. Consequently no material was made publicly available as a result of the review in the reporting year.

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 2015–2016 reporting year, no valid access applications were received by the Commission.

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 2015–2016 reporting year, the Commission received one application that was refused wholly, because it 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 2015–2016 reporting year.

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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	0	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	1	0	0	0	0	0
Members of the public (other)	0	0	0	0	1	0	0	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	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	1	0	0	0
Access applications that are partly personal information applications and partly other	0	0	1	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).

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Table C: Invalid applications	
Reason for invalidity	Number of applications
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)	1
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	
	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	1
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

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Table F: Timeliness	
	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	2
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	2

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	1	1
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	0	0	0
Total	0	1	1

*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 by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)	
	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Table I: Applications transferred to other agencies	
	Number of applications for review
Agency - Initiated Transfers	0
Applicant – Initiated Transfers	0



.....
 Peter Selby Hastings QC
 Commissioner
 26 September 2016

GLOSSARY AND ABBREVIATIONS

Term	Definition
ABF	Australian Border Force
ACC	Australian Crime Commission
ACIC	Australian Criminal Intelligence Commission (previously ACC)
AFO	Asset forfeiture order
AFP	Australian Federal Police
<i>Annual Reports Act</i>	<i>Annual Reports (Departments) Act 1985</i>
Annual Reports Regulation	<i>Annual Reports (Departments) Regulation 2010</i>
ASIO	Australian Security Intelligence Organisation
ATS	Amphetamine-type stimulants
AUSTRAC	Australian Transaction Reports and Analysis Centre
<i>CAR Act</i>	<i>Criminal Assets Recovery Act 1990</i>
CDPP	Commonwealth Director of Public Prosecutions
CID	Criminal Investigation Division
CLR	<i>Commonwealth Law Reports</i>
<i>Crime Commission Act</i>	<i>Crime Commission Act 2012</i>
CSD	Corporate Services Division
Cth	Commonwealth
DPP	Director of Public Prosecutions (NSW)
EDRMS	Electronic document records management system
FID	Financial Investigation Division
<i>GIPA Act</i>	<i>Government Information (Public Access) Act 2009</i>
GPNSW	Government Property NSW
<i>GSE Act</i>	<i>Government Sector Employment Act 2013</i>
IARC	Internal Audit and Risk Committee
ICT	Information and communication technology
JACG	Joint Asian Crime Group
JCTT	NSW Joint Counter Terrorism Team
JOCG	Joint Organised Crime Group
<i>LECO Act</i>	<i>Law Enforcement (Controlled Operations) Act 1997</i>
<i>LEPR Act</i>	<i>Law Enforcement (Powers and Responsibilities) Act 2002</i>
MDMA	3,4-methylenedioxy-N-methylamphetamine (ecstasy)
NSW Police	NSW Police Force
OCS	NSW Police Force Organised Crime Squad
PAO	Proceeds assessment order
PIC	Police Integrity Commission

Term	Definition
<i>PIC Act</i>	<i>Police Integrity Commission Act 1996</i>
<i>PID Act</i>	<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
<i>PSE&M Act</i>	<i>Public Sector Employment and Management Act 2002</i>
PSSE	Public Service Senior Executive
reporting period	1 July 2015 to 30 June 2015
s.	section (of an Act of Parliament)
SCPO	Serious Crime Prevention Order
SCRA	Serious crime related activity
<i>SD Act</i>	<i>Surveillance Devices Act 2007</i>
The Commission	NSW Crime Commission
The Court	The Supreme Court of NSW
<i>TIA Act</i>	<i>Telecommunications (Interception and Access) Act 1979 (Cth)</i>
<i>TIA (NSW) Act</i>	<i>Telecommunications (Interception and Access) (New South Wales) Act 1987</i>
UWO	Unexplained wealth order
WH&S	Work health and safety

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 *Crime Commission Act*, and Treasury circulars. The specified information categories, and the locations within this report where the information may be found, are as follows:

Requirement	Location/comment
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Application for extension of time	Not applicable
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Credit card certification	59
Description of patterns or trends, and the nature and scope, of organised and other crime	18
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Disability Inclusion Action Plans	Not applicable
Disclosure of Controlled Entities	13
Disclosure of Subsidiaries	Not applicable
Economic or other factors	Not applicable
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Requirement	Location/comment
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Multicultural Policies and Services Program	Not applicable
Numbers and remuneration of senior executives	Not applicable
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