

New South Wales  
Crime Commission



# Annual Report

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2021-22

Published by the New South Wales Crime Commission

**Annual Report 2021-22**

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Disclaimer: The information contained in this Annual Report is based on the knowledge and understanding of relevant persons at the time of writing, October 2022. All persons using or accessing the information in this Annual Report should ensure that the information upon which they rely is up-to-date and checked with the appropriate officer of the New South Wales Crime Commission.

*The Crime Commission Act 2012* provides the Minister with authority to give directions on the manner and time in which this Annual Report is prepared. No such directions have been made with respect to this Annual Report. The production of the Annual Report was co-ordinated by the Corporate & Enterprise Services Division and no external costs were incurred. Following the tabling of this Annual Report in Parliament, it will be available for public access from the Commission’s website ([www.crimecommission.nsw.gov.au](http://www.crimecommission.nsw.gov.au)) and OpenGov NSW ([www.opengov.nsw.gov.au](http://www.opengov.nsw.gov.au)).

The Hon. Paul Toole MP  
Deputy Premier; Minister for Regional NSW; Minister for Police  
52 Martin Place  
SYDNEY NSW 2000

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**Re: New South Wales Crime Commission Annual Report 2021-22**

Dear Deputy Premier,

The Management Committee received and noted the Annual Report of the New South Wales Crime Commission 2021-22. Pursuant to section 82 of the *Crime Commission Act 2012* the report is transmitted to you with this letter.

Sincerely,



**The Hon. Anthony Whealy KC**  
Chairperson – Management Committee

The Hon. Paul Toole MP  
Deputy Premier; Minister for Regional NSW; Minister for Police  
52 Martin Place  
SYDNEY NSW 2000

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**Re: New South Wales Crime Commission Annual report 2021-22**

Dear Deputy Premier,

In accordance with the *Annual Reports (Departments) Act 1985*, *The Annual Reports (Departments) Regulation 2015* and the *Government Sector Finance Act 2018*, it is my pleasure to submit to you the New South Wales Crime Commission Annual Report 2021-22 for presentation to Parliament. This Annual Report outlines the achievements made during the 2021-22 financial year, which were made possible by the hard work and commitment of New South Wales Crime Commission officers.

In accordance with section 82 of the *Crime Commission Act 2012*, the report has been furnished to the New South Wales Crime Commission Management Committee. A copy of the report will also be transmitted to the New South Wales Treasurer.

Sincerely,



**Michael Barnes**  
Commissioner

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## Commissioner's Foreword

This report evidences the many significant achievements of the Commission during the reporting period. For example, law enforcement operations in which Commission staff participated or assisted resulted in the arrest of **107** individuals and the preferring of **722** very serious criminal charges. Proceeds of crime confiscation orders were made in relation to property estimated to be worth **\$30,142,659**. Confiscation Orders Recovered during the year totalled **\$62,526,506**. In addition, **626** intelligence and information reports were disseminated to other law enforcement agencies.

It is the highly motivated and dedicated staff members who have made this possible. I commend them all. I thank the Commission's Executive, Mr Peter Bodor KC, Mr Darren Bennett, Mr Geoff Turner, Mr Jonathan Spark and Mr Michael Wilde who have so ably led their respective divisions and ensured that the extensive and intrusive powers that NSW Parliament has granted to the Commission have been responsibly exercised.

We have been able to participate in the outstandingly successful operations detailed throughout this report because of the willingness of other agencies to collaborate with the Commission. The New South Wales Police Force, Australian Federal Police, Australian Criminal Intelligence Commission, Australian Security Intelligence Organisation and Australian Transactions Reports and Analysis Centre, among others, have all demonstrated great collegiality to ensure that law enforcement outcomes have been maximised by the sharing of intelligence and the undertaking of joint investigations. The assistance of the New South Wales Police Force has been key to the hugely successful proceeds of crime confiscation program by its referral of thousands of potential confiscation targets. I express my appreciation for the professional leadership of each of those bodies.

Because the Commission deals with such sensitive matters and has access to intrusive powers, it is essential that its governance is of the highest standard. Two important aspects of that are its Management Committee and Audit and Risk Committee.

Throughout the reporting period, the Management Committee has been chaired by the Honourable Anthony Whealy KC, and constituted by Commissioners of the New South Wales Police Force, Mr Michael Fuller APM and Ms Karen Webb APM, Commissioner of the Australian Federal Police, Reece Kershaw APM, and Deputy Secretary Law Reform and Legal Services, Department of Communities and Justice, Mr Paul McKnight. The Commission is fortunate to receive the guidance of such an expert, experienced and conscientious committee. I thank each of the members most sincerely.

The Audit and Risk Committee Chair, Ms Joan Wilcox, and members Mr Paul Crombie, Mr Peter Lucas and Mr Arthur Diakos, have provided technical expertise and sensible, practical suggestions. I am very grateful for their assistance.



Michael Barnes  
Commissioner



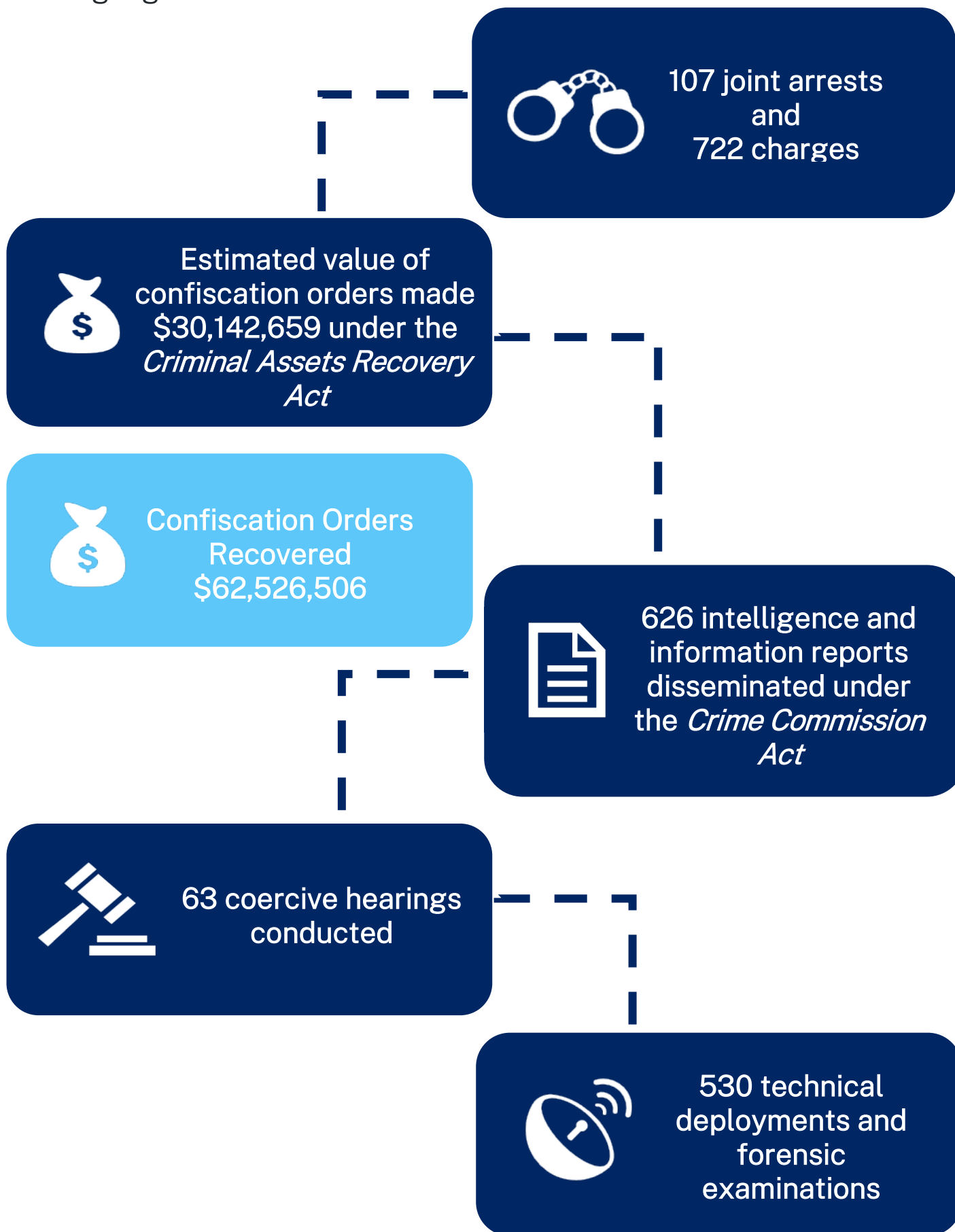
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*The NSW Crime Commission acknowledges the Traditional Custodians of the lands where we work and live. We celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW.*

*We pay our respects to Elders past, present and emerging and acknowledge the Aboriginal and Torres Strait Islander people that contribute to the development of this resource.*

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## Our Highlights 2021-22





## Chapter One – NSW Crime Commission Overview

The New South Wales Crime Commission (the Commission) is constituted as a corporation under the *Crime Commission Act 2012* (the CC Act). First established as the State Drug Crime Commission in 1986, the Commission was later officially renamed the New South Wales Crime Commission, as it is known today.

The CC Act provides a mandate for the Commission to reduce the incidence of organised and other serious crime for a safer New South Wales (NSW). The Commission also exercises its functions under the *Criminal Assets Recovery Act 1990* (the CAR Act) to ensure that persons involved in criminal activity do not retain the proceeds or benefits of their crimes.

To fulfil its functions and objectives, the Commission consists of a Criminal Investigations Division (CID), Financial Investigations Division (FID), Corporate & Enterprise Services Division (CES) and the Legal Services Team. Details on the Commission's Functional Organisation structure as at June 2022 is found at Appendix 1.

The principal functions under the legislation can be found [here](#).

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### Management and Structure

#### Responsible Minister

The administration of the CC Act and the CAR Act was assigned to the Hon. David Elliott MP Minister for Police and Emergency Services (1 July to 21 December 2021) and the Deputy Premier, Minister for Regional New South Wales, and Minister for Police, the Hon. Paul Lawrence Toole, MP (from 21 December 2021).

#### Commissioner and Assistant Commissioner (Legal)

As at 30 June 2022, the Commission had one Commissioner as head of agency and one Assistant Commissioner (Legal).

##### Mr Michael Barnes

Mr Michael Barnes commenced his appointment as the NSW Crime Commissioner on 24 August 2020. From 2017 to 2020 Mr Barnes served as the NSW Ombudsman. Over the preceding 14 years, Mr Barnes first served as the inaugural Queensland State Coroner and then (from January 2014) the NSW State Coroner. Before he was a Chief Coroner, Mr Barnes served as Head, School of Justice Studies at the Queensland University of Technology, a post he took up after 9 years as the Chief Officer of the complaints section at the Queensland Criminal Justice Commission. Mr Barnes specialises in criminal and administrative law, and undertakes research and teaching in criminal justice, health law, and corruption and organised crime investigation.

##### Mr Peter Bodor KC

Mr Peter Bodor KC was admitted as a barrister in 1976 and appointed as Queen's Counsel in 1988. Prior to his appointment, Mr Bodor's career focused predominantly on criminal law trials, appeals and associated proceedings as both prosecutor and defender across the gamut of serious criminal offences in various Australian States and Territories and internationally. He also practised extensively in Royal Commissions, Commissions of Inquiry, Coronial Inquiries and at the Independent Commission Against Corruption. Mr Bodor also frequently advised and appeared as leading counsel to act on behalf of the NSW Police Force (NSWPF) and other government agencies in inquiries, complex civil law trials and appeals. Since Mr Bodor's appointment as Assistant Commissioner (Legal) on 1 July 2015,

he had acted as Commissioner on occasions as required before his appointment as Commissioner from 8 November 2017 for 12 months whereupon Mr Bodor resumed his role as Assistant Commissioner (Legal).

### Executive Team

The Commission’s Executive Team as at 30 June 2022 consisted of the Commissioner, the Assistant Commissioner (Legal), Executive Director Criminal Investigations, Executive Director Financial Investigations and the Chief Operating Officer.

The Executive structure as at 30 June 2022 is found at Appendix 2.

### Management Committee

#### Functions

The Management Committee and its membership is constituted under subsections 49(1) and 50(1) of the CC Act respectively. Section 51 of the CC Act outlines the functions of Management Committee.

#### Membership

Chairperson, The Hon. Anthony Whealy KC (1 July 2021 – 30 June 2022)

- Commissioner of the NSW Crime Commission, Mr Michael Barnes (1 July 2021 – 30 June 2022)
- Commissioner of the NSW Police Force, Mr Michael Fuller APM (1 July 2021 to 31 January 2022) and Ms Karen Webb APM (1 February 2022 to 30 June 2022)
- Chair of the Board of the Australian Criminal Intelligence Commission and Commissioner of the Australian Federal Police, Mr Reece Kershaw APM (1 July 2021 – 30 June 2022)
- Secretary of the Department of Communities and Justice, Mr Michael Tidball. Representation was delegated to Deputy Secretary, Law Reform and Legal Services, Department of Communities and Justice, Mr Paul McKnight (1 July 2021 – 30 June 2022).

The Chairperson is appointed for a period of up to three years and is eligible for re-appointment after this time. Tenure for members is consistent with the term of appointment for his or her role.

#### Management Committee Activities

During 2021-22 the Management Committee met on a bi-monthly basis.

#### References Granted/Renewed/Discontinued 2021-22

References Granted	References Renewed	References Discontinued
8	20	10

#### References Granted by Subject Matter 2021-22

Number of References	Subject Matter
3	Homicide
2	Money Laundering

Number of References	Subject Matter
1	Organised Crime
1	JCTT
1	Drugs

**10(1)g Investigations approved 2021-22**

Number of 10(1)g Investigations	Subject Matter
5	Drugs

## Chapter Two – Criminal Investigations Division

The Criminal Investigations Division (CID) is responsible for discharging the criminal investigation functions under the *CC Act*. The Division's work is generally conducted in co-operation with one or more State or Commonwealth Law Enforcement Agencies (LEAs) pursuant to a Reference issued by the Management Committee or a Joint Investigation Agreement.

CID is structured into two Directorates.

1. The Investigations Directorate is comprised of teams of Intelligence Analysts who lead the intelligence function of joint investigations into organised and other serious crimes, including drug trafficking, money laundering, homicide, and other violent offences. These teams work principally with NSWPF State Crime Command squads including the Organised Crime Squad (OCS), the Homicide Squad, the Drugs and Firearms Squad and the Criminal Groups Squad as well as officers from other parts of NSWPF and partner agencies in other jurisdictions. CID's Organised Crime teams, Homicide and Serious Crime team and its contingent at the Joint Counter Terrorism Taskforce provide expert intelligence services to advance criminal investigations including via the Commission's special powers.
2. The Strategic Intelligence and Capabilities Directorate includes the Commission's Human Intelligence Team (HUMINT), a newly created Strategic Intelligence Unit (SIU) and the Commission's technical capabilities teams including telecommunications interception, technical operations and analytical technology. These teams provide support to the Investigations Directorate and partner agencies through the provision of actionable electronic, human and predictive intelligence.

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### Participation in Joint Task Forces

#### Organised Crime Squad (OCS)

The Commission and the OCS continue to collaborate to investigate high-level organised and serious crime in NSW. In addition to providing the OCS with analytical services, the Commission also offers financial analysis, technical and linguistic support, and hearings for the compulsory examinations of witnesses.

#### Joint Counter Terrorism Team (JCTT)

The JCTT comprises officers from the Australian Federal Police (AFP), the NSWPF, the Commission and the Australian Security and Intelligence Organisation (ASIO). Counter terrorism investigations are led by either the AFP or NSWPF. The Commission provides the JCTT with on-site technical, analytical and linguistic services, operational support and hearings for the compulsory examinations of witnesses.

#### Joint Analyst Group (JAG)

Led by the Australian Criminal Intelligence Commission (ACIC), the Joint Analyst Group (JAG) comprises intelligence analysts from the ACIC, NSWPF, Australian Transaction Reports and Analysis Centre (AUSTRAC), Australian Taxation Office (ATO), Home Affairs and the Commission. The JAG gathers intelligence to identify and profile regional priority organised crime targets and prepares thematic and strategic intelligence reports informed by collective agency holdings.

#### Fintel Alliance

Led by AUSTRAC, Fintel Alliance is a public/private partnership between 28 agencies, including law enforcement and intelligence agencies and financial institutions. The Task Force's purpose is to

investigate terrorism financing and money laundering. The Commission provides the Task Force with criminal and financial analytical services and operational support.

## Task Force Erebus

In response to a spate of organised crime related shootings, during 2021-22 the Commission embedded staff in the multi-agency Task Force Erebus led by NSWPF to support homicide investigations and proactive law enforcement activity to disrupt violent offending.

## Inquiry into Money Laundering via Electronic Gaming Machines

The Commission led an Inquiry into the nature and extent of money laundering that may be occurring through licenced premises in NSW with a particular reference to electronic gaming machines (EGMs). The Inquiry was conducted jointly with the Independent Liquor and Gaming Authority (ILGA), AUSTRAC and the ACIC with the assistance of other law enforcement agencies including NSWPF and the AFP by a multidisciplinary strategic intelligence team consisting of intelligence, investigative, regulatory and legal staff.

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## Use of Statutory Powers

The Commission exercised its powers under the CC Act and the CAR Act to discharge its functions. The powers conferred by the CC Act are available to support the Commission's investigations and evidence gathering for both criminal prosecutions and proceedings under the CAR Act.

Details of use of the legislation (CC Act) can be found at Appendix 13, with details of use of the CAR Act found in *Chapter Three – Financial investigations Division*.

The Commission also uses the following principal statutes for uses for investigative purposes:

- Law Enforcement (Controlled Operations) Act 1997 (NSW) (LECO Act)
- Law Enforcement (Powers and Responsibilities) Act 2002 (NSW) (LEPR Act)
- Law Enforcement and National Security (Assumed Identities) Act 2010 (NSW) (LENSAI Act)
- Telecommunications (Interception and Access) Act 1979 (Cth) (TIA Act)
- Surveillance Devices Act 2007 (NSW) (SD Act)

Statistics for the use of the TIA Act can be found at Appendix 11, with statistics for the use of the SD Act at Appendix 12.

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## Analysis of Investigation Results

### Arrests and Charges

The Commission works closely with partner agencies in its investigations primarily through the provision of analytical and technological services and the use of its special powers. While the Commission may lead the intelligence function of an investigation, Commission officers themselves do not arrest or charge offenders; and while the Commission collects and furnishes evidence, it does not lead prosecutions. Therefore, arrest and charge data provided below almost certainly represents a duplicate of figures reported by other agencies.

Though arrest and charge numbers provide an indication of the impact of Commission investigations on the reduction of serious and organised crime in NSW, the raw figures themselves are limited in their ability to demonstrate the impact of law enforcement intervention on organised crime networks. One arrest, or a small number of arrests, are capable of having an enduring impact on a particular

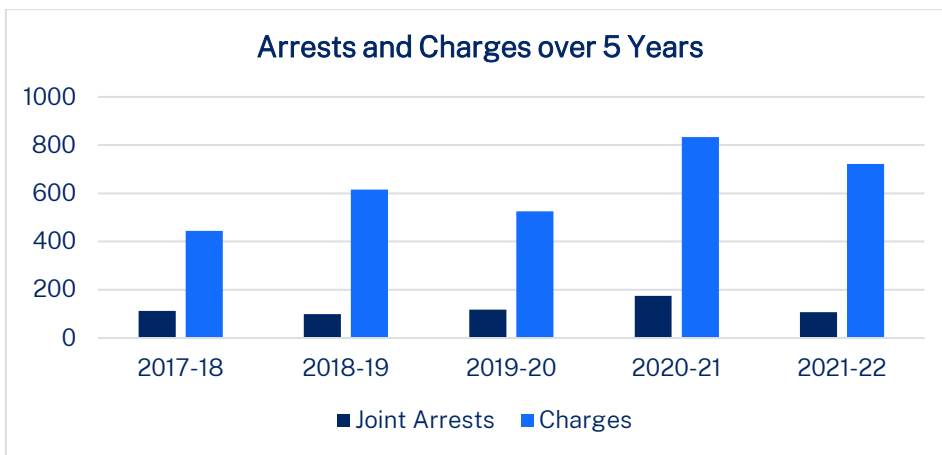
network if a key enabler is disrupted, while conversely, a large number of arrests or charges might have limited impact on a particularly resilient network.

The Commission works closely with its partners to strategically target the vulnerabilities of high-risk criminal networks to maximise its approach to disrupting serious and organised crime.

### 2021-22 Joint Arrest and Charges

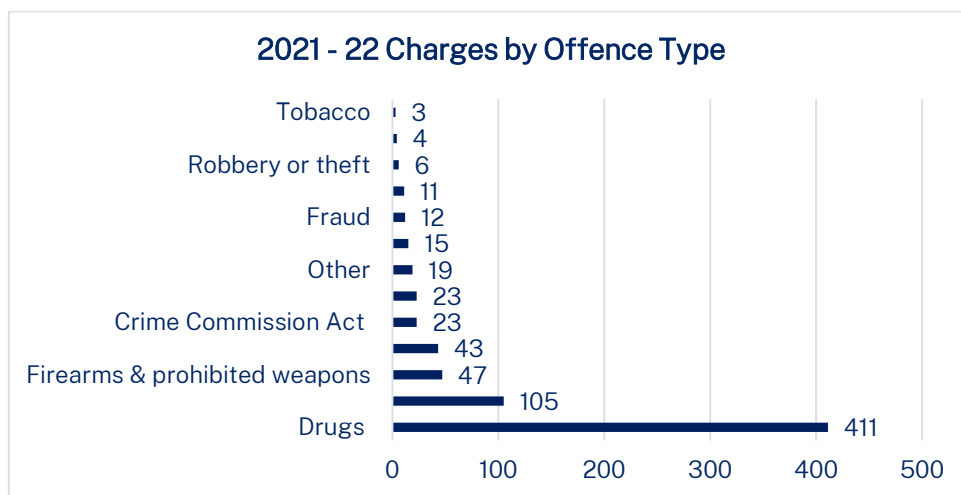
Joint Arrests	Charges
107	722

### Joint Arrests and Charges over Five Years



The 2021-22 reporting period demonstrates a slightly lower than average number of arrests and a higher than average number of charges when viewed over a five-year period. It should be noted however, that 2020-21 marked an unusually high number of charges which has somewhat distorted the figures, and if removed from analysis, the current reporting period is above average in terms of both arrests and charges. 2021-22 figures are particularly significant when considered in light of the Jul-Oct 2021 extended lockdown period.

### Charges by Offence Type



Drug related offences once again continued to dominate, accounting for more than half of all charges laid in joint Commission investigations this year. This is consistent with the Commission’s assessment that organised crime in NSW is largely driven by the importation and distribution of prohibited drugs.

The Commission is committed to investigating, detecting and disrupting the most serious iterations of drug crimes committed in NSW to maximise its impact on reducing the harms associated with this type of offending. Of the drug charges recorded during the reporting year, over 100 related to the importation, supply or manufacture of commercial or large commercial quantities of prohibited drugs and around 65 per cent related to offences involving indictable or larger quantities of drugs, or the supply of drugs on an ongoing basis. This demonstrates how the arrest and charge numbers reflect the Commission’s disruptive impact on serious and organised crime in NSW.

Money laundering, fraud and criminal group offences are enablers for other types of offending, particularly the distribution of prohibited drugs and are fuelled by drug crime. The Commission takes a comprehensive approach to its investigation of serious and organised crime with a focus on both the substantive and enabling offences to reduce the opportunity for crimes to be successfully committed, their profitability and the societal impacts.

Offences relating to murder and other violent offences, firearms and prohibited weapons remain of concern. During the reporting period, the Commission embedded staff in Task Force Erebus and worked closely with NSWPF Homicide and Criminal Groups Squads to progress investigations into historical and ongoing offences. It should be noted that the investigation and prosecution of offences of this nature typically take years to finalise and it is therefore likely that future Commission annual reports will capture the results of the Task Force Erebus investigations in which the Commission is presently engaged.

## Offences under the Crime Commission Act 2012

The Commission continues to use its special powers to advance investigations beyond what could be achieved by traditional law enforcement methods. Charges were laid for 23 offences under the CC Act, demonstrating that the Commission takes seriously its responsibility to use coercive powers effectively to advance criminal investigations.

### Breakdown of Offences under the Crime Commission Act 2012

Charge	Number
Witness refuse or fail to answer question at hearing	11
Knowingly give false or misleading evidence at hearing	10
Witness refuse or fail to produce required document or thing	2

## Intelligence Disseminations

The Commission liaises with other agencies and disseminates intelligence and information to them as the Commission considers appropriate. Throughout the reporting period, the Commission disseminated information and intelligence to its partner agencies and others pursuant to the CC Act, the *Surveillance Devices Act 2007* (SD Act) and the *Telecommunications (Interception and Access) Act*

1979 (TIA Act). Details of *Disseminations According to Section of Legislation* can be found in Appendix 14, with *Dissemination by Recipient* at Appendix 15.

Dissemination is not required 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 other law enforcement officers are made members of staff of the Commission, the Commission's dissemination figures do not include a significant amount of the intelligence product that is produced.

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## Patterns and Trends in the Nature and Scope of Organised Crime

During 2021-22, the most significant organised crime threat facing NSW continued to be the importation and trafficking of prohibited drugs. While the focus of organised crime groups remains on drug distribution, the changing nature of money laundering strategies employed by Organised Crime Groups (OCGs) and escalating violence resulting from factional fighting between OCGs over drug turf has occupied law enforcement through much of the reporting period. The Commission identified the following trends:

### High drug prices

Continued high prices have been noted for prohibited drugs throughout Australia. Recent reports received by the Commission indicate the per kilogram price of cocaine, including at the wholesale level, is nearly double the pre-pandemic prices. This provides a substantial financial incentive for OCGs to target the Australian market and creates a significant money laundering risk.



### Importation and supply of prohibited drugs

Investigations during 2021-22 demonstrated an increased reliance by OCGs on multi-pronged efforts to bring drugs into the country. These operations have been primarily managed by expat-Australian organised criminals, to maximise the chances of successfully landing the drugs in Australia and mitigating the financial risks associated with a large, one-off import should it be seized by law enforcement. These OCGs will concurrently undertake large multi-hundred kilogram drug imports through sea routes on cargo vessels or through covert voyages on smaller vessels that take longer to plan but when successful reap the largest



profits; and smaller 10-30 kilogram imports through air freight companies that arrive a couple of times a week. The joint efforts of the AFP, Australian Border Force (ABF) and NSWPF have led to several seizures and arrests involving large quantities of drugs.



#### CASE STUDY

*In late 2020, the Commission and partner agencies commenced two separate investigations, one targeting the large scale importation of prohibited drugs by sea freight and the other targeting smaller but frequent imports via air cargo. Analysis established that the same criminal syndicate was involved in both methods of importation concurrently. The involvement of the syndicate in multiple drug imports from numerous ports of origin, with varied concealment and importation methods speaks to the financial and criminal sophistication of the group. In 2021, the criminal syndicate was successfully dismantled following the arrest of key syndicate members for offences relating to drug imports by both sea and air cargo. The identification and successful disruption of a criminal network of such methodological diversity and sophistication is a key indication of the Commission's ability to map, target and disrupt crime trends in NSW.*

## Transport and logistics industry to move illicit goods

Use of the transport and logistics by OCGs is prevalent. There continued to be large drug and cash seizures from vehicles interstate during the reporting period with a particular focus on road transport between NSW and Queensland, Victoria and Western Australia. Drugs were travelling from Sydney to the other states with cash being brought back on the return trip, demonstrating Sydney's continued dominance as the organised crime hub of Australia.



#### CASE STUDY

*The Commission and NSWPF investigated a transport company which appeared to have been created primarily for the purpose of facilitating the movement of prohibited drugs and cash interstate. At least three employees of this transport company were complicit in the activity and knowingly concealed prohibited drugs and cash inside furniture for it to be supplied interstate. To provide a legitimate 'cover' should the transport vehicles be intercepted by law enforcement, the investigation identified a syndicate member who was responsible for creating and supplying false invoices using the details of legitimate customers of a furniture company. Co-operation between law enforcement agencies ultimately resulted in seven arrests in this investigation along with the seizure of over 250 kilograms of prohibited drugs and over \$450,000 cash proceeds of crime.*

## Money laundering

### Property Development

OCGs are heavily investing in money laundering strategies involving property and building development companies. Investigations have identified professional facilitators assisting OCGs disposing of their proceeds of crime through investments in high end property developments, cash payments to workers and sub-contractors and the creation of complex company trusts and structures to conceal the true ownership of the resultant properties from law enforcement. Concurrent financial

and criminal investigations conducted jointly by the Commission's CID and FID maximise the outcomes of both.

#### CASE STUDY

*The Commission and NSWPF investigated a property developer suspected to be providing money laundering services to individuals from several different OCGs. These individuals dropped bags of cash to the property developer which were subsequently used to pay workers (and avoid certain payroll tax implications for the developer). In return the OCG members received shares in companies that had purchased the rights for various real estate developments. Following a protracted investigation involving extensive physical and electronic surveillance, the use of the Commission's coercive hearings, financial and analytical services, three people have been arrested including two of the OCG individuals and the property developer. The Commission has obtained property restraining orders in relation to all three.*

## Crypto currency

Investigations by partner agencies which have been referred to the Commission's FID suggest that OCGs are heavily investing in money laundering strategies that involve crypto currency. Crypto currency has provided an unregulated platform to invest large quantities of cash and move it around the world without scrutiny. There is a large criminal network operating in the crypto currency industry focused on the laundering of drug profits.



## Use of Dedicated encrypted communications devices

The Commission has noted the continued use of dedicated encrypted communication devices (DECD) to conduct organised criminal activities in Australia and overseas. Since the conclusion of Operation Ironside that took down the popular encrypted platform, ANOM, the Commission has identified a fracturing and diversification of the DECD market not only by way of a movement towards new DECDs, but a change in the way DECDs are being used, including single OCGs using a combination of different DECDs and the return of burner or throwaway phones which can be used for days or even only hours then discarded when no longer required. The Commission has also observed continued use of readily available encrypted applications which, unlike DECDs, are also widely used for legitimate communications.

## Tobacco

The Commission has noted several OCGs involved in both the importation of illicit tobacco (loose leaf and cigarette sticks) and prohibited drugs. The potential profits from illicit tobacco are large and the *perceived* risk of detection, arrest and conviction continues to be far less than for other drug importations. Investigations have noted that what initially

appears to be a drug importation or distribution investigation with all the characteristics of covert communications using DECDs, money laundering via cash drops, clandestine exchanges etc, has actually been an OCG involved in the importation and distribution of tobacco.

#### CASE STUDY

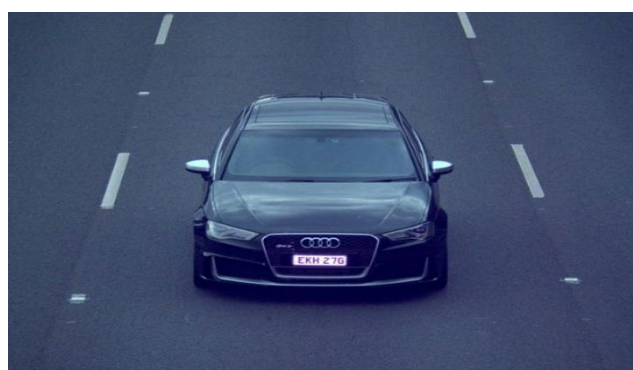
*An investigation into an alleged OCG indicates that tobacco importations are being carried out with notable scale and sophistication. Members of this OCG are alleged to have used freight forwarder details to import 3 tonnes of tobacco through sea cargo. The tobacco was concealed in appliances, was coordinated using encrypted or web-based messaging apps and appeared to involve persons ordinarily employed in the logistics industries. Members of the OCG are alleged to be involved in other serious criminal offences, including drug supply, but most notably money laundering, possibly to allow the OCG to pay for tobacco importations, to remit the proceeds of these importations offshore, and to launder the onshore personal wealth of the alleged OCG members and their associates. The alleged activities of the OCG or their associates appear to be lucrative, as the investigation resulted in the seizure of over 8 million dollars from various accused persons.*

### Organised crime murders and shootings

Organised crime-related homicides increased during the 2021-22 reporting period, with 8 organised crime related homicides plus additional non-fatal shootings. That increase is paralleled by the increase in organised crime-related kidnappings and may be a direct result of the impact of COVID-19 on the organised criminal landscape in NSW.

The significant decline in sea and air freight to Australia as a result of COVID-19, has seen increased competition between OCGs over prohibited drug trafficking distribution networks in the state. The conflicts have resulted in several violent public executions of OCG members and has resulted in a cycle of 'tit-for-tat' public place shootings and murders between the competing OCGs as they try to assert dominance and primacy over their rival OCGs and control the lucrative prohibited drug trafficking distribution networks in NSW. The likelihood of further murders is significant due to the volatility of current disputes between OCGs, the availability of firearms, the large amount of funds available to contract homicides and the propensity of these OCGs to resort to violence.

One trend noted by the Commission in these organised crime related homicides, is where individuals who are on the periphery of these OCGs are tasked with stealing luxury motor vehicles used in the commission of organised-crime related kidnappings and homicides.



One trend noted by the Commission in these organised crime related homicides, is where individuals who are on the periphery of these OCGs are tasked with stealing luxury motor vehicles used in the commission of organised-crime related kidnappings and homicides.

#### CASE STUDY

*The Commission has identified vehicles which are then either fitted with 'cloned' NSW registration plates, i.e., fake registration plates which are based on legitimate registration plates for a vehicle of a similar make and model, or fraudulently registered using the details of unsuspecting members of the public. The Commission has noted the use of both methods during its investigation into the murder of Bilal Hamze in June 2021.*

## **Kidnappings and Extortions**

Information available to the Commission suggests kidnapping victims are selected based on their known involvement in criminal activity, lessening the likelihood of cooperation with law enforcement following their release, and/or on their perceived wealth or that of their family and criminal associates (particularly as it relates to being cash-rich). The recent increase in the number of violent kidnappings and extortions within the organised criminal community suggests the responsible criminal groups view this offending as a low-risk, high-reward strategy for generating the proceeds of crime that is likely used to facilitate other types of offending.

## Chapter Three – 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 its functions under the CAR Act; however, financial inquiries are also an invaluable aid in criminal investigations. Financial investigations are sometimes deployed as the leading investigative strategy, as organised crime groups are primarily motivated by money.

As authorised by section 11 of the CC Act, the CID gathers intelligence and evidence during its investigations for the FID to use in its confiscation actions. 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.

An overview of the Confiscation process is outlined in the [Confiscations Fact Sheet](#)

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### 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 depending on the circumstances.

#### Combined Total of FID Notices Issued 2021-22

FID Notices issued
706

#### Use of CAR Act Provisions

The CAR Act also provides for the Commission to apply to the Court for the issuing of certain orders and warrants to gather evidence in confiscation proceedings. These include orders for the compulsory examination of persons under oath in the Court, orders for the defendant to provide a sworn statement of financial particulars, orders to produce documents and search warrants.

Orders	Sought	Granted
Examination orders (section 12)	85	85
Examination orders (section 31D)	0	0
Statement of affairs orders (section 12)	69	69
Statement of affairs orders (section 31D)	0	0
Production orders (section 33)	13	13

Orders	Sought	Granted
Search warrants (section 38)	0	0
Search warrants (sections 44 and 45)	1	1
Monitoring orders (section 48)	0	0

## Referrals

The Commission receives referrals for consideration of confiscation proceedings from a variety of sources, including Commission divisions and partner agencies.

### Referrals Received 2021-22

Referral	2021-22	2020-21
Person subject of a referral and assessment	581	769
Defendants (proceeding commenced against)	91	94

## Confiscation and Restraining Orders

In all instances in which the Commission applied for confiscation orders, the applications were granted and restraining orders were also made.

### Applications for Confiscation Orders

Commenced	2021-22
Confiscation cases	85
Applications for confiscation orders against defendants	91

The majority of the 127 applications for AFOs were made in respect of large sums of cash that had been seized by police at the time of the defendant's arrest.

Most of the applications for PAOs and UWOs involved a concurrent application for both orders against the same defendant.

## Breakdown of Applications Made for Confiscation Orders

Asset Forfeiture Order (AFO)	127
Unexplained Wealth Order (UWO)	91
Proceeds Assessment Order (PAO)	90
<b>Total number of Confiscation Orders</b>	<b>308</b>

## Analysis of Confiscations

### Estimated Realisable Value of Confiscation Orders

Estimated realisable value of confiscation orders	\$29,999,049
Additional matters*	\$143,610
<b>Total</b>	<b>\$30,142,659</b>

\* Refers to two matters. The larger of these orders, in the amount of \$127,811, was an order that was made for the defendant to compensate the victim of his fraud offences. The other order was made to ensure payment of the \$15,799 balance to a historic confiscation order made under the provisions of the *Confiscation of Proceeds of Crime Act 1989*. The addition of these orders brings the total confiscation recoveries of \$30,142,659.

## Performance Measures

During 2021-22, proceedings against **79 defendants** were finalised.

<b>Finalised proceedings</b>
<b>79 defendants</b>

### Proceedings Finalised by Order

Outcome	By consent	Total
AFOs Made	56	56
PAOs made	2	2
UWOs made	36	36
Breach of Warrant (BOW)	0	0

Outcome	By consent	Total
Proceedings finalised by confiscation order application(s) being dismissed or proceedings discontinued	11	11

### Estimated Realisable Value of Confiscation by Referral

Source of Referral	Orders	Value (\$)
NSWPF	79	23,190,896
NSWPF & NSWCC	11	3,589,250
NSWPF, NSWCC, AFP, ACIC	3	2,219,380
NSWPF, NSWCC, ACIC	1	761,000
NSWCC	2	206,133
NSWPF, Home Affairs, AFP	1	176,000
<b>Total</b>	<b>97</b>	<b>30,142,659</b>

### Estimated Realisable Value by Order

Type of Order	Orders	Estimated Realisable Value (\$)
AFO	57	17,451,569
UWO	36	11,882,480
PAO	2	665,000
BOW	0	0
Other	2	143,610
<b>Total</b>	<b>97</b>	<b>30,142,659</b>

### 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 estimated realisable value of confiscation orders made during the year provides the best measure of the effectiveness and results of confiscation proceedings.



## Comparison with Previous Years

	2019-20 (\$)	2020-21 (\$)	2021-22 (\$)
Estimated value of property subject of proceedings	77,075,940	70,067,914	90,090,286
Estimated value of realisable confiscation orders and other orders	30,962,693	50,825,309	30,142,659

1. The estimated value of property subject of the proceedings

This is the estimated value of all the interests in property of the defendant that would be available to satisfy any confiscation order that may be made against the defendant.

This measure is important in respect of each proceeding because it estimates the absolute maximum that the Commission could expect to realise from the proceedings.

2. The estimated realisable value of confiscation orders

This is the estimate of what will actually be recovered at the time the proceedings are finalised, either by way of the Court making a confiscation order by consent or as a result of a contested hearing.

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

**Total value of all deposits to the CPA during 2021-22**  
**\$62,526,506**

This is the highest figure ever recorded and a significant increase on the figure for the previous reporting period of approximately **\$29.8 million**.

#### CASE STUDY

*In early 2016 NSWPF had concluded a criminal investigation into the supply of prohibited drugs by “AA” the national president of a notorious Outlaw Motorcycle Gang. Although the police investigation did not result in any drug charges against AA, during the course of the police investigation, electronic and physical evidence was gathered in relation to various family members each having obtained fraudulent housing loans to purchase real property, likely as a vehicle to assist AA in laundering their proceeds of crime. As a result of this alleged offending, the Commission commenced CAR Act proceedings against AA’s spouse, brother and mother who had each bought properties using fraudulently acquired loans. Ultimately, none of these defendants were convicted of the fraud offences with which they were charged. However, CAR Act proceedings were finalised. The confiscation orders made against the three defendants realised more than \$1m.*

Most defendants in confiscation proceedings under the CAR Act have been charged with drug offences. However, there are examples where other offences are relied on, even though it may be believed that the person had benefited from their own, or another person’s, drug offending. These cases illustrate the power of the CAR Act, because in some cases confiscation orders are made without the defendant ever being convicted of a criminal offence.

## Living and Legal Expenses

### Applications under Section 10B(3)

Result Type	Living Expenses	Legal Expenses
Orders made by consent*	4	30
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	4	30

\*28 of the 30 legal expenses orders were made by consent as part of the finalisation of the confiscation proceedings by negotiated settlement.

### Legal Costs

Costs	Subject Matter
Number of costs orders in favour of the Commission	0
Number of costs orders in favour of the defendant	1*

Costs	Subject Matter
Total cost of briefing outside counsel	\$43,561
Total cost of briefing outside counsel as percentage of realisable orders	0.14%

\* One matter in which the Commission was ordered to pay a defendant's costs of \$7,700

The Commission bears the full cost of counsel fees. The full amount realised from confiscation orders goes to Treasury.

## Comparisons with Previous Two Years

### Key Figures

Measure	2019-20	2020-21	2021-22
CAR Act restraining orders	110	94	91
Confiscation orders sought without a restraining order	4	0	0
AFOs made	68	58	57
Estimated realisable value of AFOs	\$22,771,684	\$29,898,630	\$17,451,569
PAOs made	16	8	2
Estimated realisable value of PAOs	\$3,828,031	\$2,168,595	\$665,000
UWOs made	22	26	36
Estimated realisable value of UWOs	\$4,362,978	\$17,805,229	\$11,882,480
Orders for BOWs	0	0	0
Estimated realisable value of BOWs	0	0	0
Orders for compensation of victims (COVs)	0	2*	2**
Estimated realisable value of COVs	N/A	\$952,855	\$143,610
Total no. confiscation orders and COVs	106	94	97
Total estimated realisable value of confiscation orders and COVs	\$30,962,693	\$50,825,309	\$30,142,659
Production orders (CAR Act)	19	8	13

Measure	2019-20	2020-21	2021-22
Search warrants (CAR Act)	20	9	1
Monitoring orders (CAR Act)	0	0	0

\*These orders were for the payment of ATO liabilities and not strictly orders for the compensation of a victim.

\*\* One of these orders was to compensate the victim of fraud offences, the other was the recovery of the outstanding balance of a confiscation order made under the provisions of the *Confiscation of Proceeds of Crime Act 1989* which would likely have otherwise remained unpaid.

## Sharing with other Jurisdictions

The National Cooperative Scheme on Unexplained Wealth came into full operation in December 2018.

### Matters NSW Agreed to be Shared during 2021-22

Number of Matters	Shared with
8	Commonwealth

### Matters Agreed to be Shared with NSW during 2021-22

Number of Matters	Received from
2	Commonwealth

### Payments of Matters Shared by NSW during 2021-22

Defendants	Shared with	Total
13	Commonwealth	\$8,711,433

### Payments of Matters Shared with NSW during 2021-22

Number of Matters	Received from	Total
3	Commonwealth	\$1,315,760

## Chapter Four – Corporate & Enterprise Services Division

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### Division Overview

During the 2021-22 reporting period, the corporate services functions were restructured and incorporated into a newly formed Corporate & Enterprise Services Division. This Division was led by the Chief Operating Officer (COO).

The Corporate & Enterprise Services Division provide the following functions to the Commission:

- Governance, Audit & Risk
- People & Culture
- Personnel Security
- Business & Finance
- Building and Facilities
- Security Services
- Information Communications Technology
- Information Management
- PMO & ICT Compliance
- Office of the Commissioner

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### Governance

#### Internal Audit

The Commission's Audit and Risk Management Attestation statement is supplied at Appendix 10.

#### Complaints Handling

The Commission is committed to dealing with complaints made against its staff members and operations in an efficient and timely manner. The Commission also had in place a variety of internal controls to support the overall complaint handling process, including an *Internal Reporting Policy and Procedures*, which was accessible by Commission staff via the intranet.

The Commission's complaints processes/systems are audited by the Law Enforcement Conduct Commission (LECC) on an annual basis. During 2021-22, this audit occurred on 26 May 2022. Complaints about the Commission can be made either directly to the Commission or to the LECC. If a complaint is made to the Commission and is assessed as a 'notifiable' complaint, the Commission must refer this to the LECC under the section 14 of the *Law Enforcement Conduct Commission Act 2016* (NSW). Details of how to make such complaints are publicly available on the Commission's website.

A summary of the Commission's handling of complaints over the last three financial years, is provided in Appendix 3.

#### Privacy and Personal Information Protection Act 1988 - Compliance

The Commission manages personal and health information in accordance with its Privacy Management Plan.

The Commission has an appointed Privacy Officer, to receive complaints and deal with privacy related issues.

There were no complaints received by the Commission, or internal reviews undertaken by the Commission about its compliance with the *Privacy and Personal Information Protection Act 1998* during the 2021-22 reporting period.

## **Proactive Disclosure and Statutory Reporting**

The Commission's Annual Report pursuant to section 125 of the Government Information (Public Access) Act 2009 (GIPA) is supplied at Appendix 4.

The Commission continued to meet its obligations in relation to other statutory reporting, including providing reports and information required by State and Commonwealth legislation. These include the Commission's Annual Report pursuant to section 31 of the Public Interest Disclosure (PID) Act supplied at Appendix 5, the Commission's Annual Report pursuant to section 45(1) of the SD Act supplied at Appendix 6, the Commission's Annual Report pursuant to section 242A of the LEPPRA Act supplied at Appendix 7 and the Commission's Annual Report pursuant to section 35 of the Law Enforcement and National Security (Assumed Identities) Act 2010 at Appendix 8.

## **External Oversight of the Commission**

As part of its governance responsibilities the Commission was subject to the following external oversight.

### **Law Enforcement Conduct Commission**

The LECC had oversight over the Commission and its staff during the 2021-22 reporting period. This includes full disclosure of complaints, Appendix 3.

### **Commonwealth Ombudsman**

The Commonwealth Ombudsman audits the Commission's compliance with requirements contained in the *TIA Act 1979* and *SD Act 2007* and reports the results of such audits to the Australian Parliament. The Commonwealth Ombudsman's inspections covers the Commission's use of:

- telecommunications data
- surveillance device warrants
- stored communications warrants
- relevant policies, procedures and instruments of authorisations.

From 29 November to 2 December 2021, the Commonwealth Ombudsman conducted an inspection of the Commission's telecommunications data and stored communications for the previous reporting period of 1 July 2020 to 30 June 2021.

### **Parliamentary Joint Committee on the Ombudsman, the Law Enforcement Conduct Commission and the Crime Commission**

For the 2021-22 reporting period, the Commission was subject to oversight of the Parliamentary Joint Committee, which also reviews performance of the Office of the Ombudsman and the LECC.

## **The Office of the Inspector of the Law Enforcement Conduct Commission**

The LECC is held accountable for its actions by an independent statutory officer, The Hon. Terry Buddin SC from the Office of the Inspector of the Law Enforcement Conduct Commission (OILECC).

Additionally, the role has the powers and responsibilities to conduct inspections or audits of the Commission's records and operations pursuant to:

- section 11(1) of the *Telecommunications (Interception and Access) (New South Wales) Act 1987*
- section 242(3) of the LEPR Act (annual reports are publicly available through the OILECC website)
- section 49(1) of the SD Act (bi-annual reports are publicly available through the OILECC website)
- sections 22 and 23(2) of the LECO Act (annual reports are publicly available through the OILECC website).

During the 2021-22 reporting period, the OILECC inspected the Commission's telecommunications interception records in November 2021 and in June 2022.

## Audit Office of NSW

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 section 7.6 of the *Government Sector Finance Act 2018* and the *Government Sector Finance Regulation 2018*.

## Cyber Security

The Commission's Cyber Security Annual Attestation for the 2021-22 financial year can be found at Appendix 9.

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## People & Culture

### Employment Structure

The Commission employs staff under the relevant provisions of the *Government Sector Employment Act 2013* (GSE Act) and its associated Rules and Regulations. Commission employees are part of the Public Service and are employed by the NSW Crime Commission Staff Agency (a separate Public Service agency) under the GSE Act.

Non-executive Commission employees are employed under the terms and conditions of the *Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009*.

### Staffing

#### Commission Staff as at 30 June 2022

Commission staff	Headcount	FTE
Female	70	46.47
Male	48	65.02
Total	118	111.39

## Commission Staff by Grade and Gender

Grade	Female	Male
Grade 1/2	5*	1*
Grade 3/4	18	7
Grade 5/6	7	4
Grade 7/8	17	10
Grade 9/10	4	8
Grade 11/12	16	12
PSSE-1	2	1
PSSE-2	-	3
SOORT	-	2
<b>Total</b>	<b>70</b>	<b>48</b>

\*Includes two GS10 and one Clerk 13

## Numbers and Remuneration of Senior Executives

Throughout the reporting period the Commission employed two statutory officers, the Commissioner and the Assistant Commissioner (Legal).

Personnel Category	2018-19	2019-20	2020-21	2021-22
Statutory officers	2	2	2	2
Senior Executive Service	7	7	7	6
GSE Act (ongoing)	114	116	108	108
GSE Act (casual)	0	0	0	0
GSE Act (temporary)	10	7	4	2

## Remuneration Packages

Remuneration packages (inclusive of salaries, superannuation and allowances) for the Commission's statutory officers and PSSEs as at 30 June 2022 in comparison with the 2020-21 financial year.



Band level	Male	Female	Average Remuneration Package 2020-21 (\$)	Average Remuneration Package 2021-22 (\$)
Statutory officers	2	0	495,865	520,757
PSSE 3	0	0	-	-
PSSE 2	3	0	367,563	355,266
PSSE 1	1	2	228,016	226,871

The total remuneration paid to the Commission's Statutory Officers throughout the 2021-22 reporting period formed 7 percent of total employee related expenditure. This percentage was identical to that recorded in the 2020-21 reporting period.

The total remuneration paid to the Commission's PSSEs throughout the 2021-22 reporting period formed 12 percent of total employee related expenditure. This compares to 13 percent in the 2020-21 reporting period.

The SOORT has set a special determination for the remuneration packages payable to the current Executive Director Financial Investigations.

## Personnel Policies

Late in the 2021-22 reporting period the Commission commenced a program to transition People & Culture policies to a new staff guide format inclusive of Crown Employee Award references. The purpose of this program is to ensure that all Commission People & Culture policies are reviewed and aligned to the Crown Employees Award. This program will continue into the next reporting period.

People & Culture policies reviewed and updated throughout the current reporting period included the Bullying and Unreasonable Behaviour Policy and Parental Leave Policy to incorporate gender neutral terminology in accordance with NSW Government advice. The Flexible Work Arrangements Policy was also reviewed and updated as was the Performance Development Process. A Mental Health Workplace Strategy Plan was also developed in this reporting period.

## Employee Assistance Program

The Commission values the importance of an Employment Assistance Program for both Commission staff and their families. During the reporting period this confidential service was actively promoted to and utilised by staff.

## Equal Employment Opportunity

The Commission is committed to delivering a stronger NSW through diversity and continuing to enable equitable access to services and programs for all staff during the 2021-22 year.

During the reporting period the Commission reviewed and updated its Equal Employment Opportunity Management Plan. The revised Equal Employment Opportunity Management Plan 2021-2026 is consistent with the requirements of Part 9A of the *Anti-Discrimination Act 1977*. The Plan facilitates the identification and removal of systemic barriers to the participation and promotion in employment of workforce diversity groups by:

- Ensuring employees are heard by collecting qualitative information and using it in EEO planning
- Ensuring EEO outcomes form part of the workforce planning process
- Ensuring policies and procedures are non-discriminatory and enhance EEO principles
- Enabling skills development and career progression opportunities are informed by EEO principles.

## Promotion

During the reporting period no Commission officers travelled overseas as part of their official duties.

## Consultants

The Commission engaged an external consultant to assist with one engagement during the 2021-22 reporting period at a total expense of \$30,000. The engagement was to conduct a review of the Financial Investigations Division.

## Business & Finance

### Payment of Accounts

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 is shown in the tables below. There were no instances of interest being paid for overdue payments.

#### Aged Analysis at the End of Each Quarter – All Suppliers (\$,000)

Quarter	Current (within due date)	Less than 30 days overdue	31 to 60 days overdue	60 to 90 days overdue	More than 90 days overdue
Sep-21	4,179	46	0	0	0
Dec-21	4,650	16	0	0	0
Mar-22	5,793	386	0	0	0
Jun-22	7,401	129	0	0	0

#### Aged Analysis at the End of Each Quarter – Small Business Suppliers (\$,000)

Quarter	Current (within due date)	Less than 30 days overdue	31 to 60 days overdue	60 to 90 days overdue	More than 90 days overdue
Sep-21	143	17	0	0	0
Dec-21	608	0	0	0	0
Mar-22	1,100	210	0	0	0

Quarter	Current (within due date)	Less than 30 days overdue	31 to 60 days overdue	60 to 90 days overdue	More than 90 days overdue
Jun-22	2,221	100	0	0	0

### Total Accounts Paid on Time

Quarter	Target (%)	Actual (%)	Total paid (\$)	Total due (\$)
Sep-21	85	98	4,179,015	4,224,650
Dec-21	85	98	4,650,316	4,666,119
Mar-22	85	98	5,792,790	6,178,938
Jun-22	85	99	7,400,737	7,530,253

### Accounts Due or Paid within Each Quarter

Measure	Sept-21	Dec-21	Mar-22	Jun-22
All suppliers				
Number of accounts due for payment	347	440	440	573
Number of accounts paid on time	341	432	431	568
Actual percentage of accounts paid on time (based on number of accounts)	98%	98%	98%	99%
Dollar amount of accounts due for payments*	4,224,650	4,666,119	6,178,938	7,530,253
Dollar amount of accounts paid on time*	4,179,015	4,650,316	5,792,790	7,400,737
Actual percentage of accounts paid on time (based on dollar amount)	99%	100%	94%	98%
Number of payments for interest on overdue accounts	0	0	0	0

Measure	Sept-21	Dec-21	Mar-22	Jun-22
Interest paid on overdue accounts	0	0	0	0
<b>Small business suppliers</b>				
Number of accounts due for payment	41	78	98	142
Number of accounts paid on time	39	78	95	125
Actual percentage of accounts paid on time (based on number of accounts)	95%	100%	97%	88%
Dollar amount of accounts due for payment*	160,610	608,308	1,319,962	2,321,390
Dollar amount of accounts paid on time*	143,284	608,308	1,110,268	2,221,334
Actual percentage of accounts paid on time (based on dollar amount)	89%	100%	84%	96%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	0	0	0	0

\*Dollar amounts include GST

## Budgets

The Commission receives an annual grant allocation (paid fortnightly) from government through the Stronger Communities Cluster.

### Approved Budget for 2021-22 and the Budget Allocation for 2022-23

	2021-22 Budget (\$,000)	2022-23 Budget (\$,000)
Employee related	18,563	19,413
Other operating expenses	8,979	10,967
Depreciation and amortisation	3,654	925

	2021-22 Budget (\$,000)	2022-23 Budget (\$,000)
Interest expense	140	-
<b>Total expenses</b>	<b>31,336</b>	<b>31,305</b>
Cluster grant revenue	30,701	30,210
Acceptance by Crown Entity	772	803
Other revenue	57	60
<b>Total revenue</b>	<b>31,350</b>	<b>31,073</b>
Gain/(loss) on disposal	-	-
Other gains/(losses)	1,274	-
	1,468	(232)

During the reporting period the 2021-22 budget had the following adjustment:

- An increase of \$0.203m to the employee related budget to cover the wages policy escalation and the parental leave enhancement.

The main changes to the 2022-23 budget relate to:

- An increase in other operating expenditure and a decrease to depreciation and amortisation and interest expense which reflects the Commission de-recognising AASB 16 Leases for the Commission premises on 30 June 2022.

## Asset Acquisitions

### Purchase of Major Assets

Asset	Cost (\$,000)
ICT hardware	436
Major Building Works	1,121
Operational Equipment	20
<b>Total</b>	<b>1,577</b>

## Insurance Activities

Through the Treasury Managed Fund, the Commission insures against a range of risks including workers compensation, public liability, motor vehicle and property damage. In the 2021-22 reporting period the Commission made four insurance claims. Of the four claims, three related to property

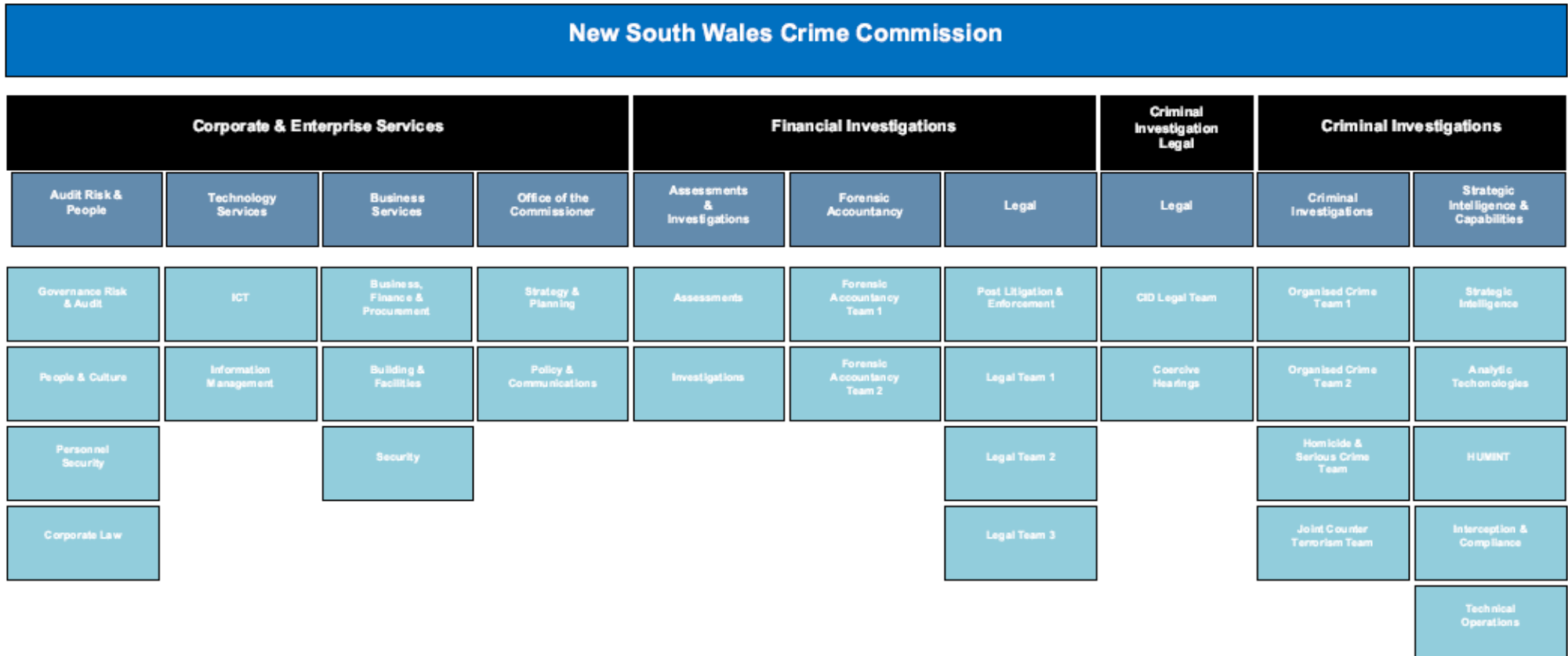
damage and one was a motor vehicle incident. There were no claims in relation to workers' compensation.

## **Preparation of Annual Report and Exemptions**

As the Commission is considered a 'small' Department, certain provisions need only be reported on triennially. Reporting provisions for Agreements with Multicultural NSW were last report in the 2020-21 Annual Report. Workforce diversity, the Disability Inclusion Action Plan and multicultural policies and services were last reported in the 2019-20 Annual Report, and are therefore exempt from this Annual Report.

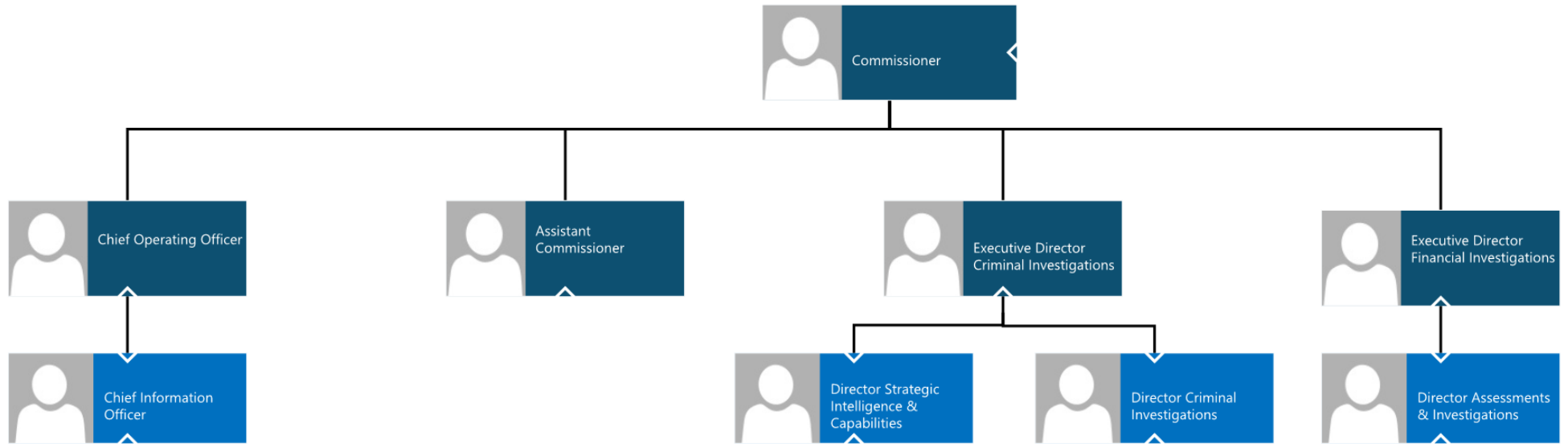
# Appendices

## Appendix 1: Commission's Functional Organisational Structure





Appendix 2: Executive Structure as at 30 June 2022



## Appendix 3: Complaint Handling 3 Year Summary

### Breakdown of Complaints Received

From	2021-22	2020-21	2019-20
NSWCC Complaints	5	8	6
NSWPF Complaints	8	9	12
Other Complaints (non-assessable) *	3	10	22
<b>Total</b>	<b>16</b>	<b>27**</b>	<b>40</b>

\*other/non-assessable": complaints refer to complaints that we received about State/Federal Government agencies, **OR** non-Government agencies or organisations.

\*\* The Commission received three submissions via its website during the 2020-21 reporting period that were incorrectly categorised as 'spam'. It is unknown whether these three submissions were valid complaints so are not included in the total number of complaints for the reporting period.

### Sources of Complaints

Source	2021-22	2020-21	2019-20
Internally received*	12	23	34
Externally received**	4	4	6
<b>Total</b>	<b>16</b>	<b>27**</b>	<b>40</b>

\*Externally received: complaints that were received by people that were **NOT** staff members of the NSWCC.

\*\*Internally received: complaints that were made by staff of the NSWCC (includes OCS inducted officers).

### Complaints Referred to the LECC\*

Source	2021-22	2020-21	2019-20
NSWCC related	5	3	4
NSWPF related	6	5	9
<b>Total</b>	<b>11</b>	<b>8</b>	<b>13</b>

\*The NSWCC must refer any NSWCC or NSWPF complaints to the LECC if they reach the threshold of a notifiable misconduct or maladministration matter.



## ***Government Information (Public Access) Act 2009 (NSW)***

Section 125

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

**1 July 2021 – 30 June 2022**

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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 annual GIPA Report). The report is to be submitted to the Minister and a copy is to be provided to the Information Commissioner.

The Commission's reporting, as required under subsection 125(2) of the Act, was submitted to the Information and Privacy Commission ('IPC') on 28 July 2022 through the IPC online 'GIPA Tool' reporting application.

The *Government Information (Public Access) Regulation 2018* ('the Regulation') makes provision for the information to be included in the annual GIPA report and the form in which the annual GIPA report is to be prepared.

#### **1. Subsection 7(3) of the Act - Review**

Subclause 8(a) of the Regulation requires the annual GIPA 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 under section 7 of the Act to identify the kinds of government information held by the agency that should in the public interest be made publicly available and that can be made publicly available without imposing unreasonable additional costs on the agency.

A comprehensive review of NSWCC's program for release of government information was conducted in March - April 2022 and over 20 documents were determined to be suitable for proactive release. The NSWCC is currently in the process of preparing these documents for public release and uploading these

documents to the NSWCC website. It is expected that all of these documents will be available on the NSWCC website early in the 2022-23 reporting period.

## 2. Number of Access Applications

Subclause 8(b) of the Regulation provides that the annual GIPA 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 2021–22 reporting year, the Commission received no valid access applications.

## 3. Number of Applications Refused

Subclause 8(c) of the Regulation provides that the annual GIPA 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 of the Act (information for which there is conclusive presumption of overriding public interest against disclosure).

During the 2021-22 reporting year, no access applications were refused with reference to Schedule 1 of the Act by the Commission.

## 4. Statistical Information About Access Applications

Subclause 8(d) of the Regulation requires an agency’s annual GIPA report to set out statistical 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 nine tables to be included in the annual GIPA report relating to statistical information about access applications. The nine tables on the following pages detail the statistical information of the Commission during the 2021–22 reporting year.

Table A: Number of applications by type of applicant and outcome*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	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	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	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	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

\*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

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)	4
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	4
Invalid applications that subsequently became valid applications	0

<b>Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act</b>	
	<b>Number of times consideration used*</b>
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
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
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	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.

<b>Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act</b>	
	<b>Number of occasions when application not successful</b>
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

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

<b>Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)</b>			
	<b>Decision varied</b>	<b>Decision upheld</b>	<b>Total</b>
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	1	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

A decision of the Commission in the 2020-21 reporting period that an application for access to information was invalid due to it seeking "excluded information" was the subject of both an application for review by the Information Commissioner and by the NCAT.

Both the Information Commissioner and the NCAT upheld the Commission's initial decision.

The citation for the NCAT decision in relation to this matter is *Rawan Arraf v NSW Crime Commission* [2022] NSWCATAD 81.

<b>Table H: Applications for review under Part 5 of the Act (by type of applicant)</b>	
	<b>Number of applications for review</b>
Applications by access applicants	2
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

See the narrative for Table G.

<b>Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)</b>	
	<b>Number of applications transferred</b>
Agency-initiated transfers	0
Applicant-initiated transfers	0



Michael Barnes  
Commissioner  
Date: 10 August 2022

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## Appendix 5: Public Interest Disclosure Act



### ***Public Interest Disclosures Act 1994 (NSW)*** Section 31

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

**1 July 2021 – 30 June 2022**

---

Section 31 of the *Public Interest Disclosures Act 1994 (NSW)* ('the Act') requires public authorities, including the New South Wales Crime Commission ('the Commission'), to report on certain matters arising under the Act within 4 months after the end of each reporting year. The report must provide the statistics and information prescribed by clause 4(2) and clause 4(2A) of the *Public Interest Disclosures Regulation 2011* and is to be submitted to the Minister responsible for the Commission, being the Minister for Police, and a copy of the report is to be provided to the Ombudsman. The required statistics and information are below.

### **Statistics**

During the reporting period:

- no public officials made a Public Interest Disclosure to the Commission
- one Public Interest Disclosure was received by the Commission and was finalised
- there were no outstanding Public Interest Disclosures carried over from the prior reporting period.

### **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 is publicly available, free of charge, on the Commission's external website ([www.crimecommission.nsw.gov.au](http://www.crimecommission.nsw.gov.au)).

For staff of the Commission, the Internal Reporting Policy is easily accessible 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?**

In the relevant reporting period:



1. Posters issued by the NSW Ombudsman continued to be displayed on noticeboards and in meal rooms throughout the Commission with the aim of promoting:
  - the key objectives of the Act
  - where staff can access the Commission's Internal Reporting Policy and list of current Commission Disclosure Officers to whom disclosures can be made.
2. Commission staff continued to have access to the names and details of current Disclosure Officers and the Internal Reporting Policy via the Commission's Intranet. Information about the Act and a link to the Internal Reporting Policy appear on the intranet webpage 'PID Officers'. This information is highlighted to new staff during induction training.
3. Commission staff were advised about new or revised policies and were reminded of their obligations to abide by Commission policies, which are all available to read and print through the intranet. References and links to the Internal Reporting Policy also appear throughout other Commission policies.
4. In June 2022, all Commission staff completed mandatory training in relation to the Commission's Code of Conduct. Section 7.3 of the Code of Conduct provides staff with information relating to the Act, including references to relevant legislation, policies and procedures.



Michael Barnes  
Commissioner  
Date: 29 September 2022

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## Appendix 6: Surveillance Devices Report



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

Subsection 45 (3)

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

**1 July 2021 – 30 June 2022**

---

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 include the number of applications for warrants by, and the number of warrants issued to, law enforcement officers during the financial year concerned.

The Commission did not make any applications seeking the issue of warrants to law enforcement officers under the Act in 2021-2022. 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 also include 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 emergency authorisation applications in 2021-2022. 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 2021-2022. This information has been presented in Table 3 below.

### **4. Refused applications for surveillance device warrants to be issued in this jurisdiction and executed in a participating jurisdiction**

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 2021-2022 and as such no applications were refused, so there are no reasons for refusal to particularise. This information has been presented in Table 4 below.

### **5. Applications for Extensions of Surveillance Device Warrants Issued in this Jurisdiction and Executed in a Participating Jurisdiction**

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 2021-2022 and as such no applications were granted or refused, so there are no reasons for the granting or refusal to particularise. 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.

There were no such arrests in 2021-2022.

### **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 2021-2022.

## 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 to specify in 2021-2022.

## 9. Warrants Issued and Emergency Authorisations Given by Device Type

Subsection 45 (2) of the Act requires that the information mentioned 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. 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 listening/tracking devices	Combination listening/optical surveillance devices
0	0	0	0	0	0	0	0

**Table 2. Devices authorised by an emergency approval, 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 listening/tracking devices	Combination listening/optical surveillance devices
0	0	0	0	0	0	0	0

**Table 3. Devices authorised by remote applications for warrants to be issued in this jurisdiction and executed in a participating jurisdiction, 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 listening/tracking devices	Combination listening/optical surveillance devices
0	0	0	0	0	0	0	0

**Table 4. Refusals of applications for warrants to be issued in this jurisdiction and executed in a participating jurisdiction, 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 listening/tracking devices	Combination listening/optical surveillance devices
0	0	0	0	0	0	0	0

**Table 5. Refusals of applications for extensions of warrants to be issued in this jurisdiction and executed in a participating jurisdiction, 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 listening/tracking devices	Combination listening/optical surveillance devices
0	0	0	0	0	0	0	0



Michael Barnes  
Commissioner

Date: 4 August 2022



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

Section 242A

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

**1 July 2021 – 30 June 2022**

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Section 242A of the *Law Enforcement (Powers and Responsibilities) Act 2002* ('the Act') requires the Commissioner for the New South Wales Crime Commission ('the Commission') to report annually on the exercise of powers under Part 5 of the Act with respect to covert search warrants by staff members of the Commission. The report is to be provided, within 4 months after each 30 June, to the Minister for Police and the Attorney General and is to be tabled in each House of Parliament as soon as practicable after it is received by the Attorney General.

**1. Applications for Covert Search Warrants**

Paragraph 242A (3) (a) of the Act provides that the report is to specify the number of applications for covert search warrants made under Part 5 of the Act and the number of those applications that were granted.

The Commission made no such applications in 2021–2022.

**2. Applications for Telephone Covert Search Warrants**

Paragraph 242A (3) (b) of the Act provides that the report is to specify the number of applications for telephone covert search warrants and the number of those applications that were granted.

The Commission made no such applications in 2021–2022.

**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 2021–2022.

#### **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 2021–2022.

#### **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 2021–2022.

#### **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 2021–2022.

#### **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 exercise the powers mentioned in sections 75A and 75B under a covert search warrant under the Act in 2021–2022.

#### **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 2021–2022.

#### **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.

There have been no such arrests, and there have been no arrests that have led to the laying of charges in relation to searchable offences, in 2021–2022.

#### **10. Complaints**

Paragraph 242A (3) (j) of the Act requires the Commission to specify the number of complaints that were made under any Act about conduct relating to the execution of a covert search warrant by an executing officer and the number of those complaints that are, or have been, the subject of an investigation under any Act.

No such complaints were made, and no complaints are or have been the subject of an investigation under any Act, in 2021–2022.

### **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 2021–2022.



Michael Barnes  
Commissioner  
9 September 2022





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

Section 35

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

**1 July 2021 to 30 June 2022**

---

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 under the Act in 2021-2022. There were no authorities cancelled.

#### **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 refused no applications under the Act in 2021-2022.

### **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 internal audit function conducted an audit of the Commission's use of assumed identities during 2021-2022. 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 2021-2022.



Michael Barnes  
Commissioner  
29 September 2022

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## Appendix 9: Cyber Security Annual Attestation Statement



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17 October 2022

Mr Tony Chapman  
Government Chief Cyber Security Officer  
Chief Cyber Security NSW  
Department of Customer Service

Dear Mr Chapman

### **Cyber Security Annual Attestation Statement for the 2021-22 Financial Year for the New South Wales Crime Commission**

I, Michael Barnes, am of the opinion that the New South Wales Crime Commission (the Commission) has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Risks to the information and systems of the Commission have been assessed and are managed in accordance with the Commission's Risk Management Framework, which incorporates the risk assessment and management techniques outlined in the global standard ISO 27005. An Information Security Risk Management Plan has been implemented, and the Commission undertakes a monthly risk review in accordance with that plan.

Governance is in place to manage the cyber-security maturity and initiatives of the Commission. A Security Steering Committee was established in 2018, and broadened to incorporate a holistic management of risk for a wider range of corporate services, and renamed the Business Operations Committee in 2019. The management of cyber security maturity and initiatives of the Commission is one of the responsibilities of that committee. In 2018, the Commission created a new role of ICT Compliance Manager, and the occupant of this position is responsible for coordinating and managing all activities relating to governance and compliance requirements.

The Commission's cyber incident response plan is incorporated within the Information Security Management System (ISMS) and Business Continuity Management Framework, which has been activated in response to the Covid-19 pandemic outbreak.

The Commission's ISMS has been certified since 2018 as ISO27001 compliant, and was recertified in July 2021. The findings of the ISO27001 surveillance audit undertaken 19 September 2022 have confirmed the Commission maintains its certification.

An independent review/audit of the Commission's ISMS or effectiveness of controls or reporting against the mandatory requirements of the NSW Cyber Security Policy was undertaken and found to be appropriate or being properly addressed in a timely manner.

The Commission's assessment against all mandatory requirements in the NSW Cyber Security Policy for the previous financial year, including a maturity assessment against the Australian Cyber Security Centre (ACSC) Essential 8 requirements is attached.

For further information about this matter please contact Mike Wilde, Chief Operating Officer on 02 9269 9888 or at [mwilde@crimecommission.nsw.gov.au](mailto:mwilde@crimecommission.nsw.gov.au)

Yours sincerely



Michael Barnes  
Commissioner

---

## Appendix 10: Internal Audit and Risk management Attestation



### Internal Audit and Risk Management Attestation Statement for the 2021-22 Financial Year for the New South Wales Crime Commission

I, Michael Barnes, am of the opinion that the NSW Crime Commission has internal audit and risk management processes in operation that are, excluding the exemptions or transitional arrangements described below, compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements	For each requirement, please specify whether compliant, non-compliant, or in transition
<b>Risk management Framework</b>	
1.1 The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	<b>Compliant</b>
1.2 The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	<b>Compliant</b>
<b>Internal Audit Function</b>	
2.1 The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	<b>Compliant</b>
2.2 The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	<b>Compliant</b>
2.3 The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	<b>Compliant</b>
<b>Audit and Risk Committee</b>	
3.1 The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable	<b>Compliant</b>

Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.

- 3.2 The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'. **Compliant**

## Membership

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

- Independent Chair, **Joan Wilcox:**
  - Initial term (commenced as chair) 1 October 2019 to 30 September 2023 (four-year term)
- Independent Member, **Peter Lucas:**
  - Initial term as member 12 August 2013 to 30 June 2014 (ten-and-a-half-month term served of a four-year appointment)
  - Initial term as chair 1 July 2014 to 30 June 2018 (four-year term)
  - Second term as chair 1 July 2018 to 30 June 2019 (one year term to the maximum of five years cumulative for a chair)
  - Second term as member 1 July 2019 to 30 June 2020 (one year term)
  - Third term as member 1 July 2020 to 11 August 2021 (one year, one-and-a-half-month term to the maximum of 8 years as a member)
- Independent Member, **Paul Crombie:**
  - Initial term as member 1 July 2016 to 30 June 2019 (three-year term)
  - Term as interim Chair 1 July 2019 to 30 September 2019 (three-month term)
  - Second term as member 1 October 2019 to 30 June 2021 (one year, nine-month term)
  - Third term as member 1 July 2022 to 30 June 2024 (two-year term)
- Independent Member, **Arthur Diakos:**
  - Initial term as member 1 October 2021 – 30 September 2025 (four-year term)



Michael Barnes  
Commissioner  
Date: 14/09/2022

**Contact Officer:** Todd Smithson  
Chief Audit, Risk & People Officer  
E: [TSmithson@crimecommission.nsw.gov.au](mailto:TSmithson@crimecommission.nsw.gov.au)  
T: 9269 3888

## Appendix 11: Telecommunications (Interception and Access) Act 1979 Statistics

Applications/Warrants (and section of the Act)	2021-22
Applications for A-party service warrants (section 46(1)(d)(i))	33
Applications for A-party service warrants withdrawn	0
A-party service warrants refused	0
<b>Total A-party service warrants issued</b>	<b>33</b>
Applications for B-party service warrants (section 46(1)(d)(ii))	0
Applications for B-party service warrants withdrawn	0
B-party service warrants refused	0
<b>Total B-party service warrants issued</b>	<b>0</b>
Applications for named person warrants (section 46A)	26
Applications for named person warrants withdrawn	0
Named person warrants refused	0
<b>Total named person warrants issued</b>	<b>26</b>
Applications for stored communications warrants (section 116)	2
Applications for stored communications warrants withdrawn	0
Stored communications warrants refused	0
<b>Total stored communications warrants issued</b>	<b>2</b>
Applications for entry warrants (section 48)	0
Applications for entry warrants withdrawn	0

Applications/Warrants (and section of the Act)	2021-22
Total entry warrants issued	0
Total all warrants	61

Applications/Warrants (and section of the Act)	Total
Destructions of intercepted material	-
Destructions of stored communications	-
Existing data authorisations (section 178)	3007
Prospective data authorisations (section 180)	926



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## Appendix 12: Use of Legislation (Surveillance Devices Act 2007)

Use of the Legislation	Total
Applications made	0
Warrants sought in those applications	0
Warrants granted	0
Warrants refused	0
Emergency authorisations sought	0
Emergency authorisations approved	0

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## Appendix 13: Use of Legislation (Crime Commission Act 2012)

Use of Legislation (and section of Act)	CID	FID	Total
Applications for search warrants (section 17)	0	0	0
Search warrants granted	0	0	0
Summonses to appear at hearings (section 24)	63	0	63
Notices to State public agencies (section 28)	24	6	30
Notices to produce (section 29)	233	693	926
Arrest warrants (section 36)	0	0	0
Applications to the Supreme Court (section 33)	0	13	13
Other court proceedings (section 35A)	0	0	0

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## Appendix 14: Disseminations According to Section of Legislation (CC Act, TIA Act, SD Act)

Act	Disseminations
CC Act section 13	403
TIA Act section 68	22
TIA Act section 139(2)	1
TIA ACT section 67	199
SD Act section 40(4)	1
SD Act section 40(5)	0
<b>Total</b>	<b>626</b>

## Appendix 15: Disseminations by Recipient

Recipient	Instances
Attorney General's Department (Commonwealth)	1
Australian Border Force	1
Australian Commission for Law Enforcement Integrity (ACLEI)	9
Australian Criminal Intelligence Commission (ACIC)	65
Australian Federal Police (AFP)	62
Australian Security Intelligence Organisation (ASIO)	1
Australian Taxation Office (ATO)	4
Australian Transaction Reports and Analysis Centre (AUSTRAC)	2
Bankwest	3
Commonwealth Department of Public Prosecutions (CDPP)	2
Commonwealth Ombudsman	2
Corrective Services NSW	13
Court	8
Crime and Corruption Commission Qld (QCCC)	1
Defence / Defendant	59
Department of Home Affairs (AU)	15
Department of Premier and Cabinet	1
Drug Enforcement Agency - USA	2
Independent Commission Against Corruption (ICAC)	6
Independent Liquor and Gaming Authority NSW	3

Recipient	Instances
Law Enforcement Corruption Commission (LECC)	6
Netherlands Police	4
New Zealand Police	3
NSW Crown Solicitors Office (Crown Sols NSW)	2
NSW Joint Analyst Group (NSWJAG)	23
NSW Office of the Department of Public Prosecutions (ODPP NSW)	62
NSW Police (NSWPF)	247
NSWCC Hearing	5
Queensland Police Service (QPS)	4
Senate Standing Committees on Legal and Constitutional Affairs into The Adequacy and Efficacy of Australia's Anti-Money Laundering and Counter-Terrorism Financing Regime	1
South Australia Police (SAPOL)	4
Technology Company - Arlo Technologies	1
U.S. Department of Homeland Security	1
Victoria Police (VICPOL)	1
Western Australia Police (WAPOL)	2
<b>Total</b>	<b>626</b>

## Glossary and Abbreviations

Term	Definition
ABF	Australian Border Force
ACIC	Australian Criminal Intelligence Commission
AFO	Asset Forfeiture Order
AFP	Australian Federal Police
ARDA	Annual Reports (Departments) Act 1985
ATO	Australian Taxation Office
AUSTRAC	Australian Transaction Reports and Analysis Centre
BOW	Breach of Warranty
CAR Act	Criminal Assets Recovery Act 1990
CC Act	Crime Commission Act 2012
CID	Criminal Investigations Division
COV	Compensation of Victims
CPA	Confiscated Proceeds Account
Cth	Commonwealth
DECD	Dedicated Encrypted Communication Devices
FID	Financial Investigations Division
GIPA Act	Government Information (Public Access) Act 2009
ICT	Information and Communication Technology
JAG	Joint Analyst Group
JCTT	Joint Counter Terrorism Team
LEA	Law Enforcement Agency
LECC	Law Enforcement Conduct Commission
LECO Act	Law Enforcement (Controlled Operations) Act 1997
LENSAI Act	Law Enforcement and National Security (Assumed Identities) Act 2010 (NSW)

Term	Definition
LEPR Act	Law Enforcement (Powers and Responsibilities) Act 2002
NSWPF	NSW Police Force
OCS	Organised Crime Squad
ODPP	Office of the Director of Public Prosecutions (NSW)
OILECC	Office of the Inspector of the Law Enforcement Conduct Commission
PAO	Proceeds Assessment Order
PID Act	Public Interest Disclosures Act 1994
PSSE	Public Service Senior Executives
Reporting Period	1 July 2021 to 30 June 2022
SD Act	Surveillance Devices Act 2007
SOORT	Statutory and Other Offices Remuneration Tribunal
TIA Act	Telecommunications (Interception and Access) Act 1979 (Cth)
The Commission	NSW Crime Commission
The Court	Supreme Court of NSW
Treasury	NSW Treasury
UWO	Unexplained Wealth Order

## Compliance Index

The Commission includes in its Annual Report certain information specified in the ARDA, *Annual Reports (Departments) Regulation 2010*, CC Act, and Treasury circulars. The specified information categories and the locations within this report where the information may be found are as follows:

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Disclosure of subsidiaries	Not applicable
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Inclusion of unaudited financial statements	Not applicable
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Workforce diversity	Exempt
Work health & safety	Exempt

# Audited Financial Statements

**NEW SOUTH WALES CRIME COMMISSION  
CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

## **New South Wales Crime Commission**

### **Financial Statements for the year ended 30 June 2022**

#### **STATEMENT BY COMMISSIONER**

Pursuant to section 7.6 of the *Government Sector Finance Act 2018*, 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 *Government Sector Finance Act 2018*, *Government Sector Financial Regulation 2018* and Treasurer's Directions.
- (b) The statements present a true and fair view of the financial position as at 30 June 2022, financial performance of the Commission for the year then ended, and cash flows.
- (c) There are no circumstances that would render any particulars included in the Financial Statements misleading or inaccurate.



Michael Barnes  
Commissioner

Dated: 13 October 2022



## INDEPENDENT AUDITOR'S REPORT

### New South Crime Commission

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the New South Crime Commission (the Commission), which comprise the Statement by the Commissioner, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the financial position, financial performance and cash flows of the Commission and the consolidated entity

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 the standards are 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 requirements of the:

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

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament 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
- precluding the Auditor-General from providing non-audit services.

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

## **Other Information**

The Commission's annual report for the year ended 30 June 2022 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Commissioner is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Commission's draft annual report.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **Commissioner's Responsibilities for the Financial Statements**

The Commissioner is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Commissioner's responsibility also includes such internal control as the Commissioner determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner is responsible for assessing the ability of the Commission and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities 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 description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Commission or the consolidated entity carried out its 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
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink that reads "Nirupama Mani". The signature is written in a cursive style with a small flourish at the end of the name.

Nirupama Mani  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

17 October 2022  
SYDNEY



Start of audited financial statements.

## NEW SOUTH WALES CRIME COMMISSION

### Statement of Comprehensive Income for the year ended 30 June 2022

	Notes	Consolidated			Statutory Corporation	
		Actual	Budget	Actual	Actual	Actual
		2022	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>						
Employee-related expenses	2(a)	18,055	18,563	16,807	-	-
Operating expenses	2(b)	11,586	8,979	5,719	11,586	5,719
Personnel services	2(c)	-	-	-	18,055	16,807
Depreciation and amortisation	2(d)	3,475	3,654	3,000	3,475	3,000
Finance Costs	2(e)	81	140	113	81	113
<b>Total expenses excluding losses</b>		<b>33,197</b>	<b>31,336</b>	<b>25,639</b>	<b>33,197</b>	<b>25,639</b>
<b>Revenue</b>						
Grants and contributions	3(a)	30,661	30,701	25,324	31,106	25,799
Acceptance by the Crown in right of the State of New South Wales of employee benefits and other liabilities	3(b)	445	772	475	-	-
Other income	3(d)	2,411	57	38	2,411	38
<b>Total revenue</b>		<b>33,517</b>	<b>31,530</b>	<b>25,837</b>	<b>33,517</b>	<b>25,837</b>
<b>Operating result</b>		<b>320</b>	<b>194</b>	<b>198</b>	<b>320</b>	<b>198</b>
Gains / (losses) on disposal	4	(42)	-	(26)	(42)	(26)
Other gains / (losses)	5	1,585	1,274	(223)	1,585	(223)
<b>Net result</b>		<b>1,863</b>	<b>1,468</b>	<b>(51)</b>	<b>1,863</b>	<b>(51)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,863</b>	<b>1,468</b>	<b>(51)</b>	<b>1,863</b>	<b>(51)</b>

The accompanying notes form part of these financial statements.

## NEW SOUTH WALES CRIME COMMISSION

### Statement of Financial Position as at 30 June 2022

	Notes	Consolidated			Statutory Corporation	
		Actual	Budget	Actual	Actual	Actual
		2022	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	6	804	676	958	804	958
Receivables	7	2,295	609	854	2,295	854
<b>Total Current Assets</b>		<b>3,099</b>	<b>1,285</b>	<b>1,812</b>	<b>3,099</b>	<b>1,812</b>
<b>Non-Current Assets</b>						
Property, plant and equipment	8					
Land and buildings		111	111	111	111	111
Plant and equipment		2,654	2,571	1,813	2,654	1,813
Right-of-use assets	9	-	4,467	5,383	-	5,383
Intangible assets	10	679	426	1,072	679	1,072
<b>Total Non-Current Assets</b>		<b>3,444</b>	<b>7,575</b>	<b>8,379</b>	<b>3,444</b>	<b>8,379</b>
<b>Total Assets</b>		<b>6,543</b>	<b>8,860</b>	<b>10,191</b>	<b>6,543</b>	<b>10,191</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	11	2,211	461	789	1,906	542
Lease Liabilities	12	-	2,342	2,287	-	2,287
Provisions	14	2,198	1,716	2,145	2,556	2,464
<b>Total Current Liabilities</b>		<b>4,409</b>	<b>4,519</b>	<b>5,221</b>	<b>4,462</b>	<b>5,293</b>
<b>Non-Current Liabilities</b>						
Lease Liabilities	13	-	2,237	4,680	-	4,680
Provisions	15	53	65	72	-	-
<b>Total Non-Current Liabilities</b>		<b>53</b>	<b>2,302</b>	<b>4,752</b>	<b>-</b>	<b>4,680</b>
<b>Total Liabilities</b>		<b>4,462</b>	<b>6,821</b>	<b>9,973</b>	<b>4,462</b>	<b>9,973</b>
<b>Net Assets</b>		<b>2,081</b>	<b>2,039</b>	<b>218</b>	<b>2,081</b>	<b>218</b>
<b>EQUITY</b>						
Accumulated funds	16	2,081	2,039	218	2,081	218
<b>Total Equity</b>		<b>2,081</b>	<b>2,039</b>	<b>218</b>	<b>2,081</b>	<b>218</b>

The accompanying notes form part of these financial statements.

## NEW SOUTH WALES CRIME COMMISSION

### Statement of Changes in Equity for the year ended 30 June 2022

	Accumulated	
	Funds	Total
	\$'000	\$'000
<b>Balance at 1 July 2021</b>	<b>218</b>	<b>218</b>
<b>Net result for the year</b>	<b>1,863</b>	<b>1,863</b>
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<b>1,863</b>	<b>1,863</b>
<b>Balance at 30 June 2022</b>	<b>2,081</b>	<b>2,081</b>
<b>Balance at 1 July 2020</b>	<b>269</b>	<b>269</b>
<b>Net result for the year</b>	<b>(51)</b>	<b>(51)</b>
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<b>(51)</b>	<b>(51)</b>
<b>Balance at 30 June 2021</b>	<b>218</b>	<b>218</b>

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 2022

	Notes	Consolidated			Statutory Corporation	
		Actual	Budget	Actual	Actual	Actual
		2022	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee related		(17,518)	(17,791)	(16,472)	(17,518)	-
Personnel Services		-	-	-	-	(16,472)
Finance Costs		(81)	(140)	(113)	(81)	(113)
Other		(12,572)	(8,979)	(6,495)	(12,572)	(6,495)
<b>Total Payments</b>		<b>(30,171)</b>	<b>(26,910)</b>	<b>(23,080)</b>	<b>(30,171)</b>	<b>(23,080)</b>
<b>Receipts</b>						
Grants and contributions		30,661	30,701	25,324	30,661	25,324
Other		3,320	57	877	3,320	877
<b>Total Receipts</b>		<b>33,981</b>	<b>30,758</b>	<b>26,201</b>	<b>33,981</b>	<b>26,201</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	20	<b>3,810</b>	<b>3,848</b>	<b>3,121</b>	<b>3,810</b>	<b>3,121</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>						
Purchase of property, plant and equipment		(1,672)	(1,480)	(1,157)	(1,672)	(1,157)
Purchase of intangibles		(2)	(100)	(75)	(2)	(75)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(1,674)</b>	<b>(1,580)</b>	<b>(1,232)</b>	<b>(1,674)</b>	<b>(1,232)</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>						
Payment of principal portion of lease liabilities		(2,290)	(2,287)	(2,258)	(2,290)	(2,258)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>(2,290)</b>	<b>(2,287)</b>	<b>(2,258)</b>	<b>(2,290)</b>	<b>(2,258)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>						
		<b>(154)</b>	<b>(19)</b>	<b>(369)</b>	<b>(154)</b>	<b>(369)</b>
Opening cash and cash equivalents		958	695	1,327	958	1,327
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	6	<b>804</b>	<b>676</b>	<b>958</b>	<b>804</b>	<b>958</b>

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 and is controlled by the State of New South Wales, which is the ultimate parent. The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The New South Wales Crime Commission, as a reporting entity, comprises of itself and one other entity under its control, the New South Wales Crime Commission Staff Agency.

In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

These consolidated financial statements for the year ended 30 June 2022 have been authorised for issue by the Commissioner on 13 October 2022.

### (b) Basis of preparation

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 (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018* (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment and assets are measured using the fair value basis. 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, which is the Commission's presentation and functional currency.

The financial statements have been prepared on a going concern basis as management believe this to be appropriate. Note 3(a), Grants without sufficiently specific performance obligations, outlines the Commission's source of funding.

### (c) Statement of compliance

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

The Commission has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: *Finance Sector Union of Australia v Commonwealth Bank of Australia* [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods as new information comes to light on this matter.

### (d) Administered activities

The Commission administers, but does not control, certain activities on behalf of the Crown in right of the State of New South Wales (the Crown). 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.

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

### (e) Accounting for the Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- amount of GST incurred by the Commission as a purchaser that is not recoverable from the Australian Taxation Office (ATO) 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 ATO are classified as operating cash flows.

### (f) Comparative information

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

### (g) Changes in accounting policies, including new or revised AAS

#### (i) Effective for the first time in financial year 2021-22

The accounting policies applied in 2021-22 are consistent with those of the previous financial year.

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

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

The following new AAS have not been applied and are not yet effective:

- AASB 17 *Insurance Contracts*
- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax Related to Assets and Liabilities arising from a Single Transaction*
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
- AASB 2021-7a *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2021-7b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2021-7c *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

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

### (h) Impact of COVID-19 on Financial Reporting 2021-22

The Commission confirms that COVID-19 has not had a significant impact on its finances or its ability to operate as usual.

## 2. Expenses Excluding Losses

	Consolidated		Statutory Corporation	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
(a) Employee related expenses				
Salaries and wages (including annual leave)	15,545	14,144	-	-
Superannuation - defined benefit plans	36	57	-	-
Superannuation - defined contribution plans	1,259	1,247	-	-
Long service leave	202	432	-	-
Workers' compensation insurance	76	89	-	-
Payroll tax and fringe benefit tax	809	775	-	-
Other	128	63	-	-
	<u>18,055</u>	<u>16,807</u>	<u>-</u>	<u>-</u>
(b) Other operating expenses				
Auditor's remuneration				
- audit of the financial statements	52	51	52	51
Building management fees	593	592	593	592
Maintenance*	608	59	608	59
Insurance premium	46	41	46	41
Building restoration costs (insurance claim)	2,652	-	2,652	-
Office utilities	148	192	148	192
Office supplies	500	185	500	185
Computer services	4,279	1,950	4,279	1,950
Travel expenses	30	19	30	19
Motor vehicle expenses	35	25	35	25
Service and legal fees	649	458	649	458
Telecommunications	769	837	769	837
Maintenance agreements	1,223	1,273	1,223	1,273
Other	2	37	2	37
	<u>11,586</u>	<u>5,719</u>	<u>11,586</u>	<u>5,719</u>
* Reconciliation - Total Maintenance				
Maintenance expense - contracted labour and other (non-employee related), as above	608	59	608	59
Personnel services maintenance expense included in Note 2(a)	58	57	-	-
Total maintenance expenses included in Note 2(a) and 2(b)	<u>666</u>	<u>116</u>	<u>608</u>	<u>59</u>
(c) Personnel services				
New South Wales Crime Commission Staff Agency	-	-	18,055	16,807
	<u>-</u>	<u>-</u>	<u>18,055</u>	<u>16,807</u>

### Recognition and Measurement

#### **Maintenance expense**

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

## 2. Expenses Excluding Losses (continued)

### 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.

### Lease expense

The Commission recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term. i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

	Consolidated		Statutory Corporation	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
(d) Depreciation and amortisation expense				
Depreciation				
Buildings and Improvements - Right of Use Asset	2,290	1,845	2,290	1,845
Plant and equipment	362	251	362	251
Computer equipment	401	377	401	377
Motor vehicles	26	26	26	26
	<u>3,079</u>	<u>2,499</u>	<u>3,079</u>	<u>2,499</u>
Amortisation	396	501	396	501
Total Depreciation and amortisation	<u>3,475</u>	<u>3,000</u>	<u>3,475</u>	<u>3,000</u>

Refer to Notes 8, 9 & 10 for recognition and measurement policies on depreciation and amortisation.

### (e) Finance costs

Interest expense from lease liabilities	81	113	81	113
Total interest expense	<u>81</u>	<u>113</u>	<u>81</u>	<u>113</u>
	<u>81</u>	<u>113</u>	<u>81</u>	<u>113</u>

### Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. 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.

## 3. Revenue

### (a) Grants without sufficiently specific performance obligations

Recurrent grants	29,081	24,092	29,081	24,092
Capital grants	1,580	1,232	1,580	1,232
Personnel services benefits and liabilities provided free of charge by NSW Crime Commission Staff Agency	-	-	445	475
	<u>30,661</u>	<u>25,324</u>	<u>31,106</u>	<u>25,799</u>



### 3. Revenue (continued)

#### Recognition and Measurement

Income from grants without sufficiently specific performance obligations is recognised in line with AASB 1058 when the Commission obtains control over the granted assets (e.g. cash).

Income from appropriations, other than deemed appropriations (of which the accounting treatment is based on the underlying transaction), does not contain enforceable and sufficiently specific performance obligations as defined by AASB 15. Therefore, appropriations (other than deemed appropriations) are recognised as income when the Commission obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

- (b) Acceptance by the Crown of employee benefits and other liabilities.

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

	Consolidated		Statutory Corporation	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Superannuation - defined benefit	36	57	-	-
Long service leave	408	415	-	-
Payroll tax	1	3	-	-
	445	475	-	-

- (c) Deemed appropriations

The Commission receives funding from the Department of Communities and Justice who receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Act for the year.

The *Appropriation Act 2021 (Appropriations Act)* appropriates the sum of \$17,053,912,000 to the Attorney General, and Minister for Prevention of Domestic and Sexual Violence out of the Consolidated Fund for the services of the Department of Communities and Justice for the year 2021–22. The spending authority of the Minister from the *Appropriations Act* has been delegated or subdelegated to officers of the Department of Communities and Justice and entities that it is administratively responsible for, including the Commission.

The responsible Minister for each GSF agency is taken to have been given an appropriation out of the Consolidated Fund under the authority s4.7 of the *Government Sector Finance Act*, at the time the GSF agency receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the GSF agency. The spending authority of the responsible Minister(s) from deemed appropriation money has been delegated or sub-delegated to officers of the Commission for its own services.

A summary of compliance is disclosed in the financial statements of the Annual Report of the Department of Communities and Justice. It has been prepared on the basis of aggregating the spending authorities of both the Attorney General, and Minister for Prevention of Domestic and Sexual Violence for the services of the Department of Communities and Justice and the responsible Ministers for the services of the entities the principal department is administratively responsible for that receives or recovers deemed appropriation money. It reflects the status at the point in time this disclosure statement is being made. The Commission's spending authority and expenditure is included in the summary of compliance.

The delegation/sub-delegations for FY21/22 and FY20/21, authorising officers of the Commission to spend Consolidated Fund money, impose limits to the amounts of individual transactions, but not the overall expenditure of the Commission. However, as it relates to expenditure in reliance on a sum appropriated through an annual *Appropriations Act*, the delegation/sub-delegations are referable to the overall authority to spend set out in the relevant *Appropriations Act*. The individual transaction limits have been properly observed. The information in relation to the limit from the *Appropriations Act* is disclosed in the summary of compliance table included in the financial statements of the Annual Report of the Department of Communities and Justice.

- (d) Other revenue

Insurance recoveries - operating expense	2,321	-	2,321	-
Insurance recoveries - capital	89	-	89	-
Other revenue	1	38	1	38
	2,411	38	2,411	38

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

	Consolidated		Statutory Corporation	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Written down value of assets sold/scrapped	(42)	(26)	(42)	(26)
	(42)	(26)	(42)	(26)

#### 5. Other Gains / (Losses)

Impairment gain / (loss) on Right of Use Assets	1,488	(223)	1,488	(223)
Derecognition of right-of-use assets and lease liabilities with Property NSW*	97	-	97	-
	1,585	(223)	1,585	(223)

\* The net gains(losses) are recognised from the derecognition of the right-of-use asset and lease liability with Property NSW as at 30 June 2022. Please refer to Note 9 for further details on the derecognition.

The net gain/(loss) from the derecognition of right-of-use asset and lease liability as at 30 June 2022 is reconciled as below:

	<b>2022</b>
	<b>\$'000</b>
<b>Right-of-use asset</b>	
Gross carrying value	11,006
Less: accumulated depreciation and accumulated impairment provision	(6,426)
Net book value	<u>4,580</u>
<b>Amortised balance of incentives received</b>	
<b>Lease liability</b>	<u>4,677</u>
<b>Net Gains/(Losses)</b>	<u>97</u>

#### Recognition and Measurement

##### Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by the entity from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

Trade receivables and contract assets - Note 22

Property, plant and equipment - Note 8

Leases - Note 9

Intangible assets - Note 10

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

Cash at bank and on hand	804	958	804	958
	804	958	804	958

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)	804	958	804	958
Closing cash and cash equivalents (per Statement of Cash Flows)	804	958	804	958

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

## 7. Current Assets - Receivables

	Consolidated		Statutory Corporation	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Operational expenses to be recouped	4	26	4	26
Other debtors	1,063	269	1,063	269
Prepayments	1,228	559	1,228	559
	<u>2,295</u>	<u>854</u>	<u>2,295</u>	<u>854</u>

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 22(d).

## 8. Non-Current Assets - Property, Plant and Equipment

	Consolidated			Statutory Corporation		
	Land and buildings	Plant and equipment	Total	Land and buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2020 - fair value</b>						
Gross carrying amount	111	5,787	5,898	111	5,787	5,898
Accumulated depreciation	-	(4,451)	(4,451)	-	(4,451)	(4,451)
Net carrying amount	<u>111</u>	<u>1,336</u>	<u>1,447</u>	<u>111</u>	<u>1,336</u>	<u>1,447</u>

### Year ended 30 June 2021

Net carrying amount at beginning of year	111	1,336	1,447	111	1,336	1,447
Additions	-	1,157	1,157	-	1,157	1,157
Disposals	-	(26)	(26)	-	(26)	(26)
Depreciation expense	-	(654)	(654)	-	(654)	(654)
Net carrying amount at end of year	<u>111</u>	<u>1,813</u>	<u>1,924</u>	<u>111</u>	<u>1,813</u>	<u>1,924</u>

	Consolidated			Statutory Corporation		
	Land and buildings	Plant and equipment	Total	Land and buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2021 - fair value</b>						
Gross carrying amount	111	6,620	6,731	111	6,620	6,731
Accumulated depreciation	-	(4,807)	(4,807)	-	(4,807)	(4,807)
Net carrying amount	<u>111</u>	<u>1,813</u>	<u>1,924</u>	<u>111</u>	<u>1,813</u>	<u>1,924</u>

### Year ended 30 June 2022

Net carrying amount at beginning of year	111	1,813	1,924	111	1,813	1,924
Additions	-	1,672	1,672	-	1,672	1,672
Disposals	-	(42)	(42)	-	(42)	(42)
Depreciation expense	-	(789)	(789)	-	(789)	(789)
Net carrying amount at end of year	<u>111</u>	<u>2,654</u>	<u>2,765</u>	<u>111</u>	<u>2,654</u>	<u>2,765</u>

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

	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
<b>At 30 June 2022 - fair value</b>						
Gross carrying amount	111	7,540	7,651	111	7,540	7,651
Accumulated depreciation	-	(4,886)	(4,886)	-	(4,886)	(4,886)
Net carrying amount	111	2,654	2,765	111	2,654	2,765

### Recognition and Measurement

#### **Acquisition of property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. 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 AAS.

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. deferred payment amount is effectively discounted over the period of credit.

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

#### **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.

#### **Major inspection costs**

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

#### **Restoration costs**

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

#### **Depreciation of property, plant and equipment**

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis 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.

Depreciation asset category	Rate (%)
Computer equipment	20 - 33
Plant and equipment	10 - 50
Motor vehicles	15

#### **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 (TPP21-09) and Treasurer's Direction 'Valuation of Physical Non-Current Assets at Fair Value' (TD21-05). TD21-05 and TPP21-09 adopt fair value in accordance with AASB 13, AASB 116 and AASB 140 *Investment Property*.

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

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.

The Commission assesses each class of property, plant and equipment with sufficient regularity to ensure that the carrying amount at each asset in the class does not differ materially from its fair value at the reporting date. The Commission has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

The majority of the Commission's assets are non-specialised with short useful lives and therefore measured at depreciated historical cost, as an approximation of fair value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

### ***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. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

The Commission assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Commission estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. The reversal is recognised in other comprehensive income and is treated as a revaluation increase, except to the extent that an impairment loss on the same class of asset was previously recognised in net result, then the reversal recognised in net result.

## 9. Leases

During financial year ended 30 June 2022, the Commission has accepted the changes in the office accommodation arrangements with Property NSW (PNSW). The main change is the introduction of the "substitution right" clause for PNSW to relocate the Commission during the term of the agreement. The clause provides PNSW with a substantive substitution right. Therefore, these agreements are no longer accounted for as a lease within the scope of AASB 16. The office accommodation agreement with PNSW is no longer accounted for as a lease from 30 June 2022. This involves judgment that the "substitution right" clause in the agreement provides PNSW with a substantive substitution right. Management has made judgment that PNSW can obtain benefits from exercising the substitution right when it achieves office accommodation efficiency at the whole-of-government level and/or its other service objectives. It is also considered practical for PNSW to exercise the substitution right due to the general nature of the relevant office accommodation.

The corresponding right of use assets and lease liabilities has been derecognised on 30 June 2022, the effective date of the new clause. The net impact of the derecognition is recognised in "Other Gains/(Losses) (refer to Note 5). From 1 July 2022, the accommodation charges will be recognised as expenses when incurred over the agreement duration.

AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

## 9. Leases (continued)

### Right-of-use assets under leases

The following table presents right-of use assets that do not meet the definition of investment property.

	<b>Land and Buildings \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2020	7,451	7,451
Additions	-	-
Depreciation expense (Note 2 (d))	(1,845)	(1,845)
Impairment loss (Note 5)	(223)	(223)
Balance at 30 June 2021	<u>5,383</u>	<u>5,383</u>
	<b>Land and Buildings \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2021	5,383	5,383
Additions	-	-
Depreciation expense (Note 2 (d))	(2,290)	(2,290)
Impairment gain (Note 5)	1,488	1,488
Derecognition of right-of-use asset	(4,581)	(4,581)
Balance at 30 June 2022	<u>-</u>	<u>-</u>

### Lease liabilities

The following table presents liabilities under leases, including leases in respect of investment properties.

	<b>2022 \$'000</b>	<b>2021 \$'000</b>
Balance at 1 July	6,967	9,225
Additions	-	-
Interest expenses (Note 2(e))	81	113
Payments	(2,371)	(2,371)
Derecognition of lease liabilities	(4,677)	-
Balance at 30 June	<u>-</u>	<u>6,967</u>

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June in respect of leases where the Commission is the lessee:

	<b>2022 \$'000</b>	<b>2021 \$'000</b>
Depreciation expense of right-of-use assets (Note 2(d))	2,290	1,845
Interest expense on lease liabilities (Note 2(e))	81	113
Gains or losses arising from derecognising the right-of-use assets and lease liabilities with Property NSW	1,585	-
Total amount recognised in the statement of comprehensive income	<u>3,956</u>	<u>1,958</u>

The Commission had total cash outflows for leases of \$2.371m in financial year 2021-22.

### Recognition and measurement

The Commission assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Commission recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

## 9. Leases (continued)

### i. Right-of-use assets

The Commission recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- building and improvements

The right-of-use assets are also subject to impairment. The Commission assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Commission estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

The Commission has therefore undertaken an impairment assessment for the above right-of-use asset, to determine whether the carrying amount exceeded its recoverable amount.

### ii. Lease liabilities

At the commencement date of the lease, the Commission recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of purchase options reasonably certain to be exercised by the Commission; and
- payments of penalties for terminating the lease, if the lease term reflects the Commission exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Commission's leases, the lessee's incremental borrowing rate is used, being the rate that the Commission would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### iii. Short-term leases and leases of low-value assets

The Commission has no short-term leases or leases of low-value assets.

## 9. Leases (continued)

iv. Leases that have significantly below-market terms and conditions principally to enable the Commission to further its objectives

The Commission has no leases that have significantly below-market terms and conditions.

## 10. Intangible Assets

	<b>Consolidated</b>	<b>Statutory</b>
	<b>Total</b>	<b>Corporation</b>
	<b>\$'000</b>	<b>Total</b>
		<b>\$'000</b>
<b>At 1 July 2020</b>		
Cost (gross carrying amount)	6,041	6,041
Accumulated amortisation and impairment	(4,543)	(4,543)
Net carrying amount	<u>1,498</u>	<u>1,498</u>
<b>Year ended 30 June 2021</b>		
Net carrying amount at start of year	1,498	1,498
Additions	75	75
Disposals	-	-
Amortisation (recognised in "depreciation and amortisation")	(501)	(501)
Net carrying amount at end of year	<u>1,072</u>	<u>1,072</u>
The majority of Intangible assets represent computer software, including specialised enterprise software.		
<b>At 1 July 2021</b>		
Cost (gross carrying amount)	6,117	6,117
Accumulated amortisation and impairment	(5,045)	(5,045)
Net carrying amount	<u>1,072</u>	<u>1,072</u>
<b>Year ended 30 June 2022</b>		
Net carrying amount at start of year	1,072	1,072
Additions	2	2
Disposals	-	-
Amortisation (recognised in "depreciation and amortisation")	(395)	(395)
Net carrying amount at end of year	<u>679</u>	<u>679</u>
<b>At 30 June 2022</b>		
Cost (gross carrying amount)	6,095	6,095
Accumulated amortisation and impairment	(5,416)	(5,416)
Net carrying amount	<u>679</u>	<u>679</u>

### Recognition and Measurement

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. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the Commission's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.



## 10. Intangible Assets (continued)

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.

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

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

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.

## 11. Current Liabilities - Payables

	Consolidated		Statutory Corporation	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Accrued salaries, wages and on-costs	305	247	-	-
Creditors	693	177	693	177
Accrued other operating expenses	1,213	365	1,213	365
	<u>2,211</u>	<u>789</u>	<u>1,906</u>	<u>542</u>

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in Note 22.

### Recognition and measurement

Payables represent liabilities for goods and services provided to the Commission and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

## 12. Current Liabilities - Lease Liabilities

Lease liabilities (see Note 9)	-	2,287	-	2,287
	<u>-</u>	<u>2,287</u>	<u>-</u>	<u>2,287</u>

## 13. Non-Current Liabilities - Lease Liabilities

Lease liabilities (see Note 9)	-	4,680	-	4,680
	<u>-</u>	<u>4,680</u>	<u>-</u>	<u>4,680</u>

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in Note 22.

## 14. Current Liabilities - Provisions

	Consolidated		Statutory Corporation	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Employee benefits and related on-costs</b>				
Provision for personnel services	-	-	2,556	2,464
Annual leave	1,655	1,414	-	-
Long service leave on-costs	543	731	-	-
<b>Total Provisions</b>	<b>2,198</b>	<b>2,145</b>	<b>2,556</b>	<b>2,464</b>
Current annual leave obligations expected to be settled after 12 months	580	517	-	-
Current long service leave obligations expected to be settled after 12 months	468	653	-	-
	<b>1,048</b>	<b>1,170</b>	<b>-</b>	<b>-</b>

## 15. Non-Current Liabilities - Provisions

<b>Employee benefits and related on-costs</b>				
Long service leave on-costs	53	72	-	-
<b>Total provisions</b>	<b>53</b>	<b>72</b>	<b>-</b>	<b>-</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions - current	2,198	2,145	-	-
Provisions - non-current	53	72	-	-
Accrued salaries, wages and on-costs (Note 11)	305	247	-	-
	<b>2,556</b>	<b>2,464</b>	<b>-</b>	<b>-</b>

### Recognition and Measurement

#### **Employee benefits and related on-costs**

##### **Salaries and wages, annual leave and sick leave**

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 9.88% 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 Commission's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Commission does not expect to settle the liability within 12 months as the Commission does not have an unconditional right to defer settlement.

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.

##### **Long service leave and superannuation**

The Commission's liabilities for long service leave and defined benefit superannuation are assumed by the Crown. 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 of employee benefits and other liabilities'.

## 15. Non-Current Liabilities - Provisions (continued)

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

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.

### **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.

## 16. Equity

### **Accumulated Funds**

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

## 17. Commitments

	Consolidated		Statutory Corporation	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Capital Commitments</b>				
Aggregate capital expenditure for the acquisition of computer related items contracted for at balance date and not provided for:				
Within one year	-	341	-	341
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	-	341	-	341

The above commitments include nil GST recoverable from the ATO for 2022 (\$31k for 2021).

## 18. Contingent Liabilities and Contingent Assets

### **Contingent Liabilities**

The Commission commenced the financial year with two contingent liabilities. The first potential contingent liability remains active, but due to legal restrictions, the details cannot be disclosed as there is a current non-disclosure order. This is being actively managed through the Crown Solicitor's Office and covered by the Commission's insurance policy.

The second potential contingent liability relates to the Commission's premises and a potential requirement at the election of Property NSW to undertake a physical 'make good' provision. However, noting the age of the premises, length of occupancy and future potential plans for the site it has been determined a provision for make good is not required.

### **Contingent Assets**

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

## 19. Budget Review

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 Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained over page.

## 19. Budget Review (continued)

### Net result

Employee related expenditure was \$18.055m against a budget of \$18.563m, which resulted in an underspend of \$0.508m. The underspend was a result of a small organisational restructure and delays in recruitment.

Other operating expenditure totalled \$11.586m against a budget of \$8.979m, an overspend of \$2.607m. The overspend is fully attributable to the building restoration costs incurred after a flood in September 2022 which caused substantial building damage (this amount has been offset by an insurance claim).

Depreciation and amortisation costs were \$3.475m against a budget of \$3.654m, a small variation of \$0.179m.

Other income totalled \$2.411m against a budget of \$0.057m, this variation is the amount received in relation to the insurance claim.

A small loss of \$0.042m was recorded due to the write off of damaged equipment.

\$1.585m was recorded as a gain due to an impairment adjustment for the right of use building asset (prior to de-recognition).

The net result exceeded the year end budget by \$0.395m.

### Assets and Liabilities

Total current assets were higher than the budget at year end by \$1.814, this was a result of higher than anticipated prepayments and accrued income. The total non-current assets were lower than the budget by \$4.131m, this is a result of the de-recognition of AASB16 Leases for the right of use asset.

Non-current liabilities were \$2.359m under the budget, as a result of the de-recognition of the lease liabilities in relation to AASB 16 *Leases*.

### Cash flows

The cash flows from operating activities was \$0.038m lower than the budget.

The cash flows from investing activities was \$0.094m higher than the budget.

The cash flows from financing activities was in line with the budget.

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

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	Consolidated		Statutory Corporation	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Net cash used on operating activities	3,810	3,121	3,810	3,121
Depreciation & amortisation	(3,475)	(3,000)	(3,475)	(3,000)
Allowance for impairment	1,585	(223)	1,585	(223)
Decrease / (increase) in provisions	(34)	25	(92)	139
Increase / (decrease) in prepayments and other assets	1,441	173	1,441	173
Decrease / (increase) in payables	(1,422)	(121)	(1,364)	(235)
Net gain / (loss) on sale of plant and equipment	(42)	(26)	(42)	(26)
<b>Net result</b>	<b>1,863</b>	<b>(51)</b>	<b>1,863</b>	<b>(51)</b>

## 21. Administered Assets

As part of a previous operational practice during the course of criminal investigations, the Commission seized funds under various legislative powers, which were not a result of confiscations under the *Criminal Assets Recovery Act 1990*. These funds were received following activities such as search warrants, notices to produce and other activities. In some cases this included funds with 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 New South Wales Trustee and Guardian. An amount of \$93k was being held on behalf of the Commission as at 30 June 2022 (\$93k as at 30 June 2021).

## 22. 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 including derivative financial instruments, for speculative purposes.

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 Commissioner 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 these policies is reviewed by the Audit and Risk Committee regularly.

### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	
			2022	2021
Class:			\$'000	\$'000
Cash and cash equivalents	6	N/A	804	958
Receivables <sup>1</sup>	7	Amortised Cost	4	26

Financial Liabilities	Note	Category	Carrying Amount	
			2022	2021
Class:			\$'000	\$'000
Payables <sup>2</sup>	12	Financial liabilities measured at amortised cost	1,779	747

Notes:

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

The Commission determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates that at each year end.

### (b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Commission transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Commission has transferred substantially all the risks and rewards of the asset; or
- the Commission has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

## 22. Financial Instruments (continued)

When the Commission has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Commission has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Commission's continuing involvement in the asset. In that case, the Commission also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Commission has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Commission could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

### (c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### (d) Financial risks

#### i. 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 credit losses or 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 and cash equivalents***

Cash comprises of cash on hand and bank balances within the New South Wales Treasury Banking System.

#### ***Receivables - trade receivables***

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Commission applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Commission has identified these to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for a period of greater than 30 days past due.

## 22. Financial Instruments (continued)

The loss allowance for trade receivables as at 30 June 2022 and 30 June 2021 was determined as follows:

	30 June 2022					Total
	Current	< 30 days	30-60 days	61-90 days	> 91 days	
<b>Expected credit loss rate (%)</b>	-	-	-	-	-	-
<b>Estimated total gross carrying amount at default (\$'000)</b>	3	-	-	-	1	4
<b>Expected credit loss (\$'000)</b>	-	-	-	-	-	-

	30 June 2021					Total
	Current	< 30 days	30-60 days	61-90 days	> 91 days	
<b>Expected credit loss rate (%)</b>	-	-	-	-	-	-
<b>Estimated total gross carrying amount at default (\$'000)</b>	22	3	1	-	-	26
<b>Expected credit loss (\$'000)</b>	-	-	-	-	-	-

### Notes:

The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 7 or 8.

The Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2022. Most of the Commission's debtors have a 'AAA' credit rating.

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debtors 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 and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade receivables. Sales are made on 30 day terms.

Based on past experience, debtors that are not past due (2022: \$3k; 2021: \$22k) and less than 3 months past due (2022: \$0k; 2021: \$4k) are not considered impaired. Together, these represent 75% (2021: 100%) of the total trade debtors. No allowance for expected credit loss has been recognised as all amounts are considered to be collectable.

### ii. 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.

During the current and prior year, there were no defaults of borrowings. 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.

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 TC11-12. 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 following table summarises the maturity profile of the Commission's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

## 22. Financial Instruments (continued)

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

		\$'000				Maturity Dates		
		Interest Rate Exposure						
	Weighted Average Effective Int. Rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non- interest Bearing	<1 yr	1-5 yrs	>5 yrs
<b>2022</b>								
<i>Payables</i> <sup>1</sup>		1,779	-	-	1,779	1,779	-	-
<i>Lease liabilities</i>	1.41%	-	-	-	-	-	-	-
		1,779	-	-	1,779	1,779	-	-
<b>2021</b>								
<i>Payables</i> <sup>1</sup>		747	-	-	747	747	-	-
<i>Lease liabilities</i>	1.41%	7,119	7,119	-	-	1,742	5,377	-
		7,866	7,119	-	747	2,489	5,377	-

#### 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.

### iii. 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 cash and cash equivalents. 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. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Commission 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 2021. The analysis assumes that all other variables remain constant.

#### Interest rate risk

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.

		\$'000				
		Carrying Amount	-1% Profit	Equity	1% Profit	Equity
<b>2022</b>						
<b>Financial Assets</b>						
Cash and cash equivalents		804	(8)	(8)	8	8
<b>2021</b>						
<b>Financial Assets</b>						
Cash and cash equivalents		958	(10)	(10)	10	10



## 22. Financial Instruments (continued)

### (e) Fair value measurement

#### Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. Management assessed cash, trade receivables and trade payables approximates their fair value, largely due to the short-term maturities of these instruments.

## 23. Related Party Disclosures

The Commission's key management personnel compensation is as follows:

	Consolidated	
	2022	2021
	\$'000	\$'000
Total Remuneration	2,384	1,991

The Statutory Corporation received \$2.384m in respect of key management personnel services provided by the NSW Crime Commission Staff Agency.

The Commission did not enter into any transactions including any on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

The Commission entered into transactions with other entities that are controlled/ jointly controlled/ significantly influenced by NSW Government. These transactions are a significant portion of the Commission's rendering of services.

	2022	2021
	\$000	\$000
<b>Income</b>		
NSW Department of Communities and Justice	30,661	25,324
NSW Treasury Managed Fund	2,410	-
<b>Expenditure</b>		
The Audit Office of NSW	54	44
NSW Crown Solicitor's Office	189	13
NSW Treasury Managed Fund	129	135
Property NSW	2,964	2,963
NSW Police Force	20	73

## 24. 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.

