

# Annual Report

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2022-23

Published by the New South Wales Crime Commission

**New South Wales Crime Commission Annual Report 2022-23**

First published October 2023

*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 the Elders, past, present, and emerging and acknowledge the Aboriginal and Torres Strait Islander that contributed to the creation of this document.*

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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, September 2023. 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.

Other information: *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. Production of the Annual Report was co-ordinated by the Office of the Commissioner 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. Yasmin Catley MP**  
Minister for Police and Counter Terrorism  
52 Martin Place  
Sydney NSW 2000

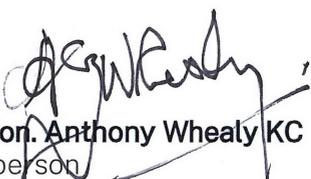
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Re: New South Wales Crime Commission Annual Report 2022-23

Dear Minister

The Management Committee received and noted the Annual Report of the New South Wales Crime Commission 2022-2023. Pursuant to section 82(1) 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. Yasmin Catley MP**  
Minister for Police and Counter Terrorism  
52 Martin Place  
Sydney NSW 2000

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Re: New South Wales Crime Commission Annual Report 2022-23

Dear Minister

In accordance with the *Government Sector Finance Act 2018 No 55 (GSF Act) Division 7.3* and the *Government Sector Finance Amendment (Annual Reporting Requirements) Regulation 2023* it is my pleasure to submit to you the New South Wales Crime Commission Annual Report 2022-23 for tabling before the NSW Parliament. This Annual Report outlines the achievements during the 2022-23 financial year, which were made possible by the hard work and commitment of New South Wales Crime Commission officers.

In accordance with section 82(1) of the *Crime Commission Act 2012*, the report has been furnished to the New South Wales Crime Commission Management Committee.

Sincerely



**Michael Barnes**  
Commissioner

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## Commissioner's Foreword



This report details 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 88 individuals and the preferring of 591 serious criminal charges. Proceeds of crime confiscation orders were made in relation to property estimated to have a nett worth of \$41,330,280. During the year, \$41,623,855 was actually recovered and paid to the Confiscated Proceeds Account. In addition, 539 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, Assistant Commissioner (Legal) Peter Bodor KC, Mr Darren Bennett, 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, the Australian Federal Police, the Australian Criminal Intelligence Commission, the Australian Security Intelligence Organisation, and the 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 a large number 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.

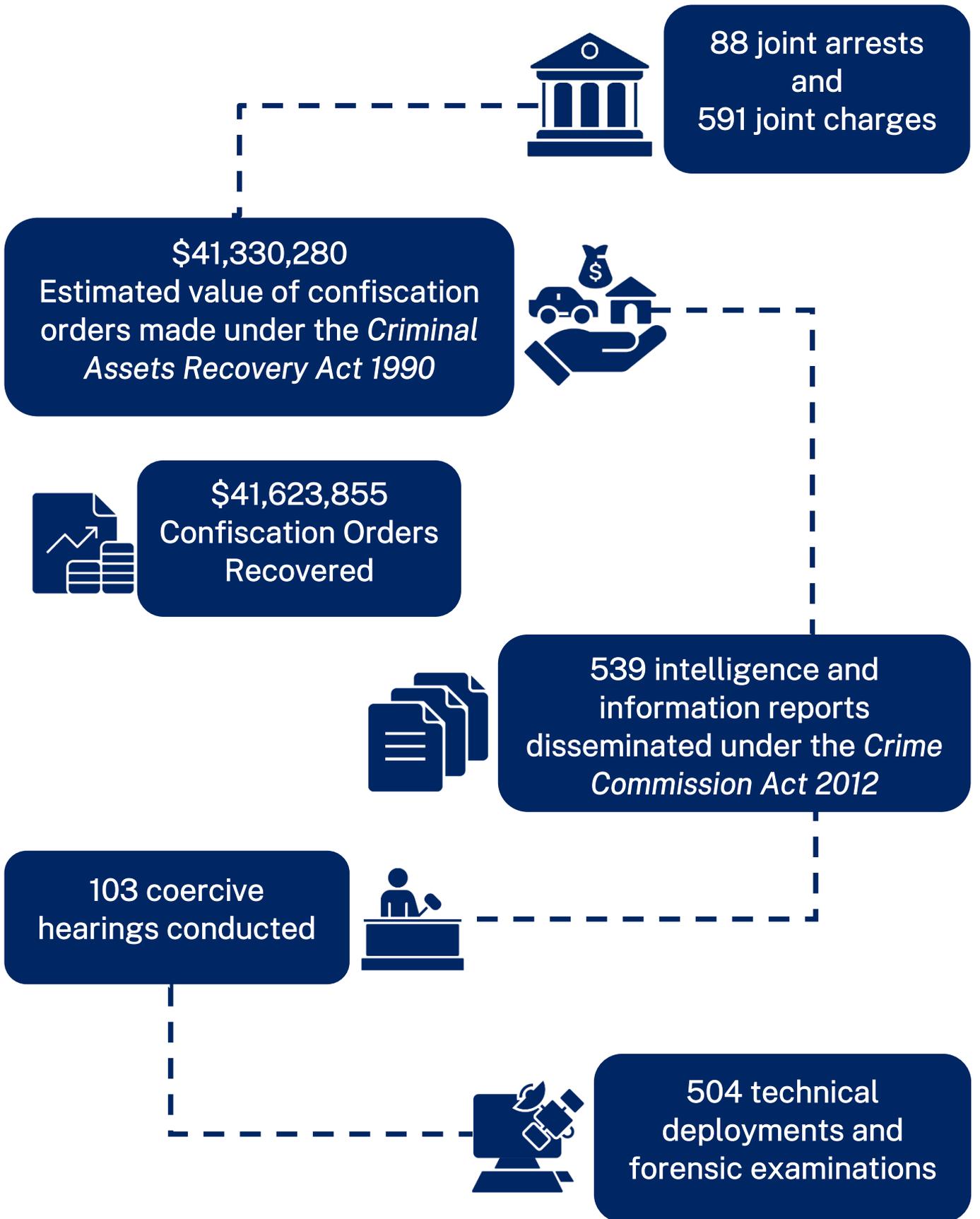
Throughout the reporting period, the Management Committee has been chaired by the Honourable Anthony Whealy KC and constituted by Commissioners of the New South Wales Police Force, Ms Karen Webb APM, Commissioner of the Australian Federal Police, Reece Kershaw APM and Deputy Secretary Law Reform and 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 and Mr Arthur Diakos, have provided technical expertise and sensible, practical suggestions. I am very grateful for their assistance.

A handwritten signature in black ink, appearing to read 'M Barnes'.

Michael Barnes  
**Commissioner**

# Our Highlights 2022-23



## Chapter One – 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.

The CC Act provides a mandate for the Commission to prevent, disrupt and 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 (LS) Team. Details on the Commission’s functional organisation structure as at June 2023 is found at Appendix A. The principal functions under the legislation can be found [here](#).

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### Management and structure

#### Responsible Minister

Administration of the CC Act and the CAR Act during the reporting period was assigned to the Hon. Paul Lawrence Toole MP (former Deputy Premier and Minister for Police from 1 July 2022 to 28 March 2023) and the Hon. Yasmin Catley MP, Minister for Police and Counter Terrorism (from 5 April 2023 to 30 June 2023).

#### Commissioner and Assistant Commissioner (Legal)

As at 30 June 2023, the Commission had one Commissioner as head of agency and one Assistant Commissioner (Legal).

##### Commissioner Michael Barnes

Commissioner Barnes commenced as the NSW Crime Commissioner on 24 August 2020. From 2017 to 2020 he served as the NSW Ombudsman. Over the preceding 14 years he served as the inaugural Queensland State Coroner, and from January 2014, the NSW State Coroner. Before Commissioner Barnes was a Chief Coroner, he served as Head of the School of Justice Studies at 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. Commissioner Barnes specialises in criminal and administrative law and undertakes research and teaching in criminal justice, health law and corruption and organised crime investigation.

##### Assistant Commissioner Peter Bodor KC

Assistant Commissioner Bodor KC was admitted as a barrister in 1976 and appointed as Queen’s Counsel in 1988. Prior to his appointment, Assistant Commissioner 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. Assistant Commissioner Bodor 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.

#### Executive Team

The Commission’s Executive Team as at 30 June 2023 consisted of the Commissioner, the Assistant Commissioner (Legal), Executive Director Criminal Investigations, Executive Director Financial Investigations and the Chief Operating Officer. This structure is found at Appendix B.

## Management Committee

The Management Committee is constituted under section 49(1) of the CC Act and its membership is provided by section 50(1). The functions of Management Committee are listed in section 51 of the CC Act.

### Membership

- Chairperson, The Hon. Anthony Whealy KC (1 July 2022 – 30 June 2023)
- Commissioner of the NSW Crime Commission, Mr Michael Barnes (1 July 2022 – 30 June 2023)
- Commissioner of the NSW Police Force, Ms Karen Webb APM (1 July 2022 to 30 June 2023)
- Chair of the Board of the Australian Criminal Intelligence Commission and Commissioner of the Australian Federal Police, Mr Reece Kershaw APM (1 July 2022 – 30 June 2023)
- 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 2022 – 30 June 2023)

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 their role.

### Management Committee Activities

During 2022-23 the Management Committee met on a bi-monthly basis.

Table 1 References Granted/Renewed/Discontinued 2022/23

Granted	Renewed	Discontinued
14	14	10

Table 2 References granted by subject matter 2022-23

Number of references	Subject matter
6	Homicide
2	Money laundering
2	Organised crime
4	Drugs

Table 3 10(1)(g) Investigations approved 2022-23

Number of 10(1)(g) Investigations	Subject matter
10	Drugs
1	Money laundering
1	Organised crime
2	Unexplained wealth

## Chapter Two - Strategy

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### Strategic objectives and/or outcomes

The Commission collaborates with its law enforcement partners to make our community safer by combating serious and organised crime and confiscating the proceeds of crime.

To maximise our impact in delivering safer communities we focus on areas in which we have specialist capabilities and provide our partners with quality services not otherwise available to them. We undertake criminal investigations that advance matters beyond the reach of other law enforcement agency partners or traditional police methodologies by delivering timely, superior intelligence analysis to support strategically selected joint operations.

- We provide state of the art investigative technology solutions in an ever-changing environment.
- We conduct private hearings where witnesses can be compelled to give evidence.
- We assemble and furnish evidence for use in criminal prosecutions.

We identify and pursue individuals who have engaged in serious crime related activity and who have acquired property or wealth or the proceeds of illegal activity. We target high wealth individuals and groups suspected of profiting from crime. We deter profit-driven serious crime by removing the incentive for individuals to engage in this type of conduct.

We endeavour to ensure the Government and the public are aware of the social and economic costs of serious and organised crime. We advise and influence law reform discussions with the benefit of strategic intelligence.

We adhere to best practice in criminal intelligence, investigation activity and criminal asset recovery. We are continually adapting and refreshing our perspectives and methods to reflect the changes in the criminal environment.

The Commission's Strategic Plan 2021-2025 is published on our [website](#).

Plans to review the Strategic Plan had commenced prior to 30 June 2023.

## Chapter Three – Patterns and trends in the nature of organised crime and problems encountered in combating organised crime

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### Organised crime in NSW

The thriving market for illicit drugs continues to drive serious and organised crime (SOC) activity in NSW. Australians spent over \$10 billion on illicit drugs in the year to August 2022,<sup>1</sup> with continued high drug prices allowing for profit margins that far exceed those available in other major markets across Europe, the United Kingdom and North America. The immense profits available to SOC groups continued to fuel ongoing violent conflict in NSW, including regular murders, kidnappings and public place shootings.

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### A lucrative illicit drug economy

The importation, distribution and consumption of illicit drugs has increased in NSW, following a temporary decline during the COVID-19 pandemic. Wastewater analysis identified rising consumption of cocaine, methylamphetamine, heroin and MDMA across Australia in the first half of this reporting period.<sup>2</sup> NSW remains the largest market in Australia for illicit stimulants, particularly cocaine and methylamphetamine, making this state a lucrative market for SOC networks.



Source: NSWPF

There was an influx of cocaine into the Australian market in 2022-23, causing wholesale prices to drop up by up to 70-80 per cent. This influx was driven by increased targeting of Australia by transnational SOC groups, with information received by the Commission indicating that an estimated six to seven tonnes of cocaine were imported into Australia undetected in the second half of 2022. The wholesale price of cocaine at the end of 2022-23 was \$180,000 per kilogram, which is low for Australian standards but still far higher than global averages.

After cannabis, methylamphetamine remains the most consumed illicit drug in NSW and leaves behind a trail of health, economic and social harms across the state. Wastewater analysis identified that Australian consumption of methylamphetamine is nearly three times higher than cocaine, with an estimated \$22.7 million spent by Australians each day on this drug.<sup>3</sup> In order to satisfy local demand, methylamphetamine is being trafficked into Australia at an unprecedented rate by transnational drug trafficking networks.

It is apparent that no matter how effective the law enforcement sector is at stemming the supply of illicit drugs, without effective demand reduction strategies led by civil society, industry and government, illicit drugs will continue to do major social harm in Australia.

Novel ways of importing and manufacturing methylamphetamine have been detected in NSW. In particular, the Commission has observed a significant increase in multi-tonne importations of liquid methylamphetamine, concealed in various household products such as canola oil, coconut water and tequila bottles. Commission investigations have identified active clandestine laboratories established to extract crystal methylamphetamine from liquid, clothing and wet wipes. In some instances, foreign nationals have likely been flown in specifically to perform the extraction process. The methods being detected in NSW reflect a global trajectory of methylamphetamine manufacture becoming cheaper, more sophisticated and more geographically widespread than ever before.

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<sup>1</sup> ACIC (2023), National Wastewater Drug Monitoring Program, Report 18, p. 13.

<sup>2</sup> ACIC (2023), National Wastewater Drug Monitoring Program, Report 19.

<sup>3</sup> ACIC (2023), National Wastewater Drug Monitoring Program, Report 18, p. 13.

Since 2022, the size and scope of domestic cannabis cultivation significantly increased. Joint investigations between the Commission and the NSWPF identified a syndicate operating large cannabis farms in NSW and Queensland, with crops in excess of 30,000 plants per farm. The estimated value of cannabis plants seized from one syndicate in 2022 alone was just under \$500 million. Syndicates operating industrial-level farms have also engaged in a range of ancillary offences including money laundering and suspected immigration offences involving foreign workers who are subject to exploitative conditions while working on the farms.

### Case Study 1

*The Commission jointly investigated a syndicate suspected of illegally importing tobacco for sale on the domestic black market. In mid-2023, search warrants located over 6,000 cartons of illegally imported cigarettes, which represents over \$1m in lost tax revenue. After the arrests, investigators learned that the syndicate had successfully imported heroin and was involved in the onshore production of crystal methamphetamine.*

The importation and supply of illicit tobacco generates large profits for SOC groups with lower criminal penalties than trafficking of illicit drugs making this offending more attractive. As well as lower penalties, SOC groups also likely perceive illicit tobacco ventures to present a lower risk of law enforcement detection than illicit drug importations. The Commission continues to investigate large-scale tobacco importations, with the illicit proceeds often being 'cleaned' by professional money laundering syndicates, sent offshore and/or converted to cryptocurrency. Proceeds may also be used to re-invest in other criminal ventures such as illicit drug importations. The Commission is also aware of the SOC group accepting payments for illicit drugs in cash and in cigarettes, reducing the amount of cash required to be laundered by the syndicate.

### Case Study 2

*The Commission jointly investigated a Queensland-based syndicate that was allegedly sourcing large quantities of illegal cigarettes and tobacco from Sydney. Investigations led to the seizure of \$876,830 in cash during two separate vehicle stops. The cash was being transported by syndicate members to Sydney, allegedly to pay for illicit tobacco products intended to be transported back to Queensland.*

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## Sophisticated drug importation methods

In 2022-23, there was an increase in detections of multi-tonne and multi-hundred-kilogram cocaine importations into Australia using mother-daughter vessel transfers. This method requires a large commercial vessel, known as the mother ship, to transport the cocaine to the vicinity of Australia's coastline. The cocaine is then either transferred to a daughter ship or dropped into the ocean at a designated location, before being transported to shore. These ventures are increasingly sophisticated, often involving concealment of cocaine in under-water compartments of the ship and the hiring of specialist divers to retrieve the cocaine.

Importation 'doors' remain pivotal to the capacity of organised crime networks to successfully land illicit drugs into Australia. A 'door' refers to the one or more stages of the importation process and generally relies on corrupt insiders to facilitate the safe passage of the drugs through each stage. Commission investigations continue to identify trusted insiders in the freight handling and logistics industries who exploit their positions to provide a range of services to SOC networks including hindering inspections of cargo, manipulating shipping records and facilitating unauthorised access to secure locations. A common method requiring the assistance of such insiders is the 'rip on rip off' method, where drugs are placed inside a legitimate container shipment and removed before the container is examined or delivered to its innocent recipient. Notably, syndicates that lose access to their trusted insiders have resorted to violent break and enters to retrieve drugs from ports and warehouses.

### Case Study 3

*The Commission and NSWPF jointly investigated the attempted importation of 2.4 tonnes of cocaine into Australia in late 2022. The cocaine was seized by the United States Drug Enforcement Administration and replaced with an inert substance. On 28 December 2022, a dead drop of 1.2 tonnes of inert cocaine was conducted at a nominated location approximately forty miles off the coast of Western Australia. Seven members of a NSW-based syndicate were involved in the retrieval of the inert cocaine and were subsequently arrested by Western Australia Police. The second half of the consignment was later delivered to a warehouse in Western Australia and a NSW-based individual was arrested when attempting to take possession of 200 kilograms of the replaced drug.*

## Criminal kingpins and their immense wealth

The command and control of organised crime in NSW lies with a cohort of 'kingpins' who lead major criminal networks and use their significant wealth to fund drug ventures and associated violence. In 2023, the Commission received information that a recently deceased organised crime leader had amassed over \$100 million at the time of their death. It is likely that other high-ranked crime figures similarly maintain tens of millions of dollars of crime-derived wealth, which may be held in the names of unaffiliated third parties, or in many cases sent offshore. This degree of criminal wealth affords high-level criminal figures significant criminal capability and influence over the Australian organised crime landscape. The use of unexplained wealth legislative provisions in the absence of criminal charges against these individuals will be utilised to mitigate the impact of serious criminal activity funded by high-level organised crime figures. The Commission has recently established a multidisciplinary Criminal Assets Confiscation Team to operationalise this strategy.

## Offshore relocation of Australian criminal kingpins

A growing proportion of Australian kingpins have relocated overseas, likely due to a combination of sustained law enforcement pressure and concerns held by senior organised crime figures about being targeted by rival groups. Offshore principals living in permissive jurisdictions have a level of access to global drug trafficking networks and supply lines that would not be accessible onshore. Furthermore, Australian crime principals likely secure substantial crime-derived wealth in offshore accounts that are hosted in certain banking jurisdictions regarded as both secure and unregulated.

Many Australian crime figures are now globally dispersed, residing in the Middle East, Southeast Asia, Eastern Europe, the Balkans and the Pacific. Traditional havens, including the United Arab Emirates and Türkiye, remain popular locations for Australian and global organised crime figures. However, the recent arrest and deportation of a number of high-level Australian criminals as a result of collaboration between the AFP and foreign law enforcement agencies indicates that traditional safe havens are becoming less hospitable for Australians who are subject to arrest warrants.

Since 2022, the Commission has identified a number of specialist syndicates facilitating the covert movement of fugitives offshore. Several high-level organised crime figures have likely utilised such unofficial departure options, which are attractive to fugitives as well as individuals subject to legal orders that prevent them from travelling overseas. Unofficial departure can come at a cost of up to \$800,000, making this option available only to organised crime figures who have amassed substantial profit from their illegal activity.



Source: NSWPF

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## An endemic culture of violence

The culture of violence within the organised crime landscape continues to manifest in shootings, kidnappings, serious assaults and threats of violence in NSW. This violence is primarily driven by the desire of criminal syndicates to control lucrative drug distribution channels.



Source: NSWPF

Organised violence is an increasingly professionalised industry, with a growing range of service providers available for hire. These include ‘hit’ teams who accept homicide contracts, as well as syndicates with propensity for extreme violence such as the torture of kidnapping victims. Violence is also enabled by the engagement of security teams and private investigators hired by organised crime groups to track potential victims using physical and electronic surveillance measures. While opportunistic violence still occurs in the organised crime milieu, most investigations requiring the Commission’s involvement relate to well-planned and coordinated incidents.

There were four organised crime linked homicide events, resulting in five deaths, in 2022-23 in NSW. This brought the total number of organised crime-related murders recorded since 2020-21 to twenty. Appendix P lists these crimes and the current status of their investigation.

Organised crime homicides from 2022-23 were all public place shootings that involved use of illegal firearms and stolen motor vehicles. The vehicles were fitted with cloned registration plates prior to the offence and incinerated afterwards to destroy evidence. A common tactic in these homicides was the use of multiple getaway vehicles, each put in position in advance of the murder. Information available to the Commission suggests that homicide contracts issued by high-level organised crime figures sometimes amount to millions of dollars.

Organised-crime homicides continue to be carried out in a brazen manner, generally in public places, which has resulted in harm to people around the intended target, including members of the public mistaken for the intended target. An organised crime murder that occurred in August 2022 resulted in the death of the intended target as well as her friend, who was not affiliated with organised crime and is considered an ‘innocent’ victim. In another example, in March 2023, a 40-year-old man was killed in an organised crime shooting in front of his 12-year-old son.

Organised crime-related kidnappings have become increasingly well-planned and resourced, with the commissioning party often arranging multiple teams to perform different roles including physical surveillance, the abduction itself and the deployment of extreme violence. The motivations for organised crime-related kidnappings varies, but many are likely intended to retrieve stolen drugs or to exact revenge for drug “rips.” Kidnappings carried out by organised crime groups in 2022-23 featured extreme violence, including torture. These tactics were deployed to extort information or money from the victim, or their family or criminal associates. Kidnapping victims had their fingers, toes and teeth mutilated or removed, with photos sent to family or associates in an attempt to induce ransom payments of drugs or cash.

### Case Study 4

*The Commission participated in the investigation into the kidnapping of three drug couriers in 2023, likely motivated by a dispute within their syndicate. The drug couriers were subjected to acts of extreme violence including being bound, hooded and threatened with firearms, as well as the severing of fingers and toes. These tactics were deployed in an attempt to elicit information from the kidnapping victims and their associates as to the whereabouts of large quantities of drugs the kidnappers believed the victims or associates of the victims had stolen. One person has been arrested and charged with kidnapping offences. The investigation into the other offenders is on-going.*

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## Recruitment of street gangs by serious organised crime networks

Street gangs are increasingly recruited by serious organised crime groups to perform acts of violence and other criminal activity. In 2022-23, street gangs and other young individuals were hired to carry out kidnappings, shootings, violent assaults, drug rips, theft or disposal of vehicles and firearms, and retrieval of illicit drugs from ports and warehouses. Such individuals may be characterised by a willingness to perform violent or other high-risk activities in return for a modest payment and the notoriety that accompanies these tasks. While some such individuals do not aspire to hold power within the organised crime milieu, the Commission has noted examples of youth groups quickly escalating into fully-fledged criminal organisations working with high level Australian organised crime figures.

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## Enablers of serious organised crime

Serious organised crime activity in NSW is facilitated by a wide range of enablers including encrypted communications, professional facilitators, technical and physical surveillance capabilities, trusted insiders in the supply chain and corruption of public officials. Organised crime networks are often early adopters of emerging technology, with notable examples observed including the growing success of darknet drug marketplaces and the rising criminal use of cryptocurrency.

## Encrypted criminal communications

In 2022-23, the encrypted criminal communications market in Australia changed at an unprecedented pace. SOC entities have largely ceased using traditional dedicated encrypted criminal communications devices ('DECCDs') due to concerns about the security, stability and accessibility of these platforms. DECCDs are increasingly being replaced with encrypted messaging communications applications, such as Threema, Signal and Wickr, which are installed on 'hardened' handsets with VPNs, secure operating systems and falsely subscribed SIM cards. While this shift occurred concurrently with the prohibition of DECCDs in NSW in February 2023, the Commission assesses that the declining use of DECCDs preceded, and is likely not causally linked to, the passing of this legislation.

Suppliers of encrypted criminal communication facilities are key organised crime enablers. Even though many current encryption solutions can be set up easily and at low-cost, organised crime entities seem to prefer to source pre-configured devices from trusted suppliers. These devices are often sold at a significant markup, creating an attractive profit margin for the supplier. Information available to the Commission indicates that Australian organised crime groups have invested in the development of bespoke encrypted messaging applications for both their own in-house use and to sell to other syndicates.

## Vehicle hides and technical surveillance equipment

Organised crime groups have continued to utilise hidden vehicle compartments (known as 'vehicle hides'). Sophisticated vehicle hides are set up by specialist installers who are often owners or employees of legitimate automotive businesses. Vehicle hides are unlikely to be detected by law enforcement without knowledge of the hide's location and the method of accessing it. Accordingly, hides are regularly used to transport illicit drugs, firearms, cash and encrypted devices.

The Commission also has information that organised crime groups maintain access to a range of technical surveillance and counter-surveillance equipment including tracking devices, mobile phone jammers, signal blocking bags and surveillance drones. Equipment of this nature was used during the reporting period to track illicit drug imports, execute drug rips and carry out kidnappings.

### Case Study 5

*The Commission investigated a drug trafficking syndicate transporting methylamphetamine from Sydney to Newcastle. The syndicate used sophisticated vehicle hides to conceal illicit drugs, cash and encrypted devices. These devices were placed inside signal blocking bags, before being stored inside the vehicle hide. These were discovered by investigators from the NSWPF during a targeted vehicle search, resulting in the arrest of two syndicate members and seizure of 1.5 kilograms of methylamphetamine, two encrypted devices, \$37,500 cash and nine luxury watches.*

## Money laundering

There are significant difficulties associated with the investigation of money laundering offences, mostly stemming from the methods used. Commission investigations and intelligence reporting in 2022-23 identified laundering of money through businesses and property purchases as popular methods. The Commission also identified criminal proceeds being used to purchase gold bullion and luxury jewellery, which may be on-sold to obtain 'clean' cash.



Source NSWPF

The criminal use of cryptocurrency has grown significantly during the reporting period. Money laundering organisations receive cash proceeds of crime that is converted into cryptocurrency, before being layered through multiple cryptocurrency wallets or accessed offshore. Sending cryptocurrency offshore is low cost and anonymous compared to standard funds transfers. The Commission has received reports of cryptocurrency wallets beneficially owned by organised crime figures that contain millions of dollars of illicit funds. Furthermore, Commission investigations have identified that it is common for organised crime networks to pay for kilogram-quantities of drugs using cryptocurrency, eliminating the need for the physical handover of cash.

Australian criminal networks trafficking illicit drugs and tobacco often employ professional money laundering syndicates to clean cash proceeds of crime. These laundering syndicates are well-coordinated and usually separate from the criminal networks that they service. They often control dozens of bank accounts used to layer funds through the financial system and utilise remittance services to send proceeds of crime offshore. The return of international students to Australia since the lifting of border restrictions has likely provided laundering syndicates with replenished workforces that they had to manage without during the pandemic years.

### Case Study 6

*The Commission and the NSWPF conducted a joint investigation into a suspected drug distribution syndicate that resulted in the restraint of \$8 million worth of property. The investigation involved detailed financial analysis which identified that the principal of the syndicate held significant property interests in both his own name and the names of various family members. A financial tracing exercise established that the property purchases were funded through transfers from a range of bank accounts held in the names of family members as well as unaffiliated third-party companies. Subsequent enquiries led to the discovery of a professional money laundering syndicate that the principal had to obfuscate the source of funds used to purchase property. As a result of this investigation, two people have been charged with money laundering offences and confiscation proceedings have commenced against four people.*

## Chapter Four - Operations and Performance

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### Management and activities

#### Legal Services Review

The Commission undertook a comprehensive review of its Legal Services Team during the 2022-23 reporting period. Capgemini was engaged to conduct the review. Many of the recommendations were adopted, including a substantial redesign of the legal team and appointment of a Director, Legal Services. Implementation is ongoing. Costs are outlined under Consultants (Chapter 4).

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### Summary review of operations and performance information

#### Legal Services

Assistant Commissioner Bodor KC led the Legal Services Team and provided a high level of service to the CID and FID divisions during the reporting period.

#### Criminal Investigations Division

The 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 pursuant to a Reference issued by the Management Committee or a Joint Investigation Agreement.

CID is structured into two directorates:

1. **Investigations** is comprised of teams of intelligence analysts who discharge 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 the 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 the 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 (JCTT) provide expert intelligence services to advance criminal investigations including via the Commission's special powers. The Criminal Assets Confiscation Team (CACT) is a multidisciplinary team that proactively pursues and recovers unexplained and unlawfully obtained criminal wealth.

2. **Strategic Intelligence and Capabilities** includes the Commission's Strategic Intelligence Unit, Human Source Team and the Commission's technical capabilities teams including telecommunications interception, technical operations and data analytics. The Strategic Intelligence Unit conducts projects and produces intelligence products regarding current and emerging crime themes and trends, while the capabilities teams provide support to investigations and partner agencies through the provision of actionable electronic, human and predictive intelligence.

## **Participation in joint task forces**

### **NSWPF State Crime Command**

The Commission cooperates with the State Crime Command (SCC) of the NSWPF, including various squads within that Command, to investigate high-level organised and serious crime in NSW. In addition to providing the SCC with intelligence services, the Commission also offers financial analytics, 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. 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**

The Commission embedded staff in the multi-agency Task Forces Erebus (June 2022), led by NSWPF, to support homicide investigations and proactive law enforcement activity to disrupt violent offending.

### **Inquiry into money laundering via electronic gaming machines**

In October 2022, the Commission published its Project Islington report into the nature and extent of money laundering through electronic gaming machines in NSW, following a 12-month investigation 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.

### **Task Forces to combat crime in regional NSW**

The Commission supported multiagency operations such as Raptor Squad South in the Griffith region in NSW, Southern Borders and Northern Borders to investigate and disrupt organised and other serious crime in regional NSW.

### **NSW Independent Casino Commission (NICC) referrals**

In June 2023, the NICC directed the operator of The Star Sydney to provide a list of the balances held by the top money, safekeeping and cashless wagering accounts as well as a list of the top 30 cash depositors and withdrawers for the period 1 October 2022 to 21 April 2023. Commission staff working through the list have identified a number of individuals who appear to have criminal connections.

Intelligence probes and financial enquiries are being undertaken and the resulting reports will be referred to the Commission’s Criminal Asset Confiscation Team for further investigation.

### Special Commission of Inquiry into LGBTIQ hate crimes

The Special Commission of Inquiry into LGBTIQ hate crimes is inquiring into and reporting on the manner and cause of death of unsolved deaths previously investigated by the NSWPF where the death may have been a result of LGBTIQ bias. The Commission embedded staff within the Special Commission to provide analytical and investigatory assistance to the Inquiry.

### 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 criminal prosecutions and proceedings under the CAR Act.

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

The Commission also uses the following principal statutes 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 K, with statistics for the use of the SD Act at Appendix L.

### Extent to which investigations have resulted in the prosecution of persons for offences

#### Analysis of investigation results

The Commission’s role in joint investigations is primarily to provide analytical and technological services and use the Commission’s special powers. Commission’s officers may lead the intelligence function of an investigation and may contribute to prosecution through the collection and furnishing of evidence. While the Commission works closely with partner agencies in investigations, the Commission does not lead prosecutions and Commission officers do not arrest or charge offenders.

In 2022-23 there were 88 joint arrests and 591 joint charges. Joint arrests and charges data will also be reported by partner agencies in their annual reporting.

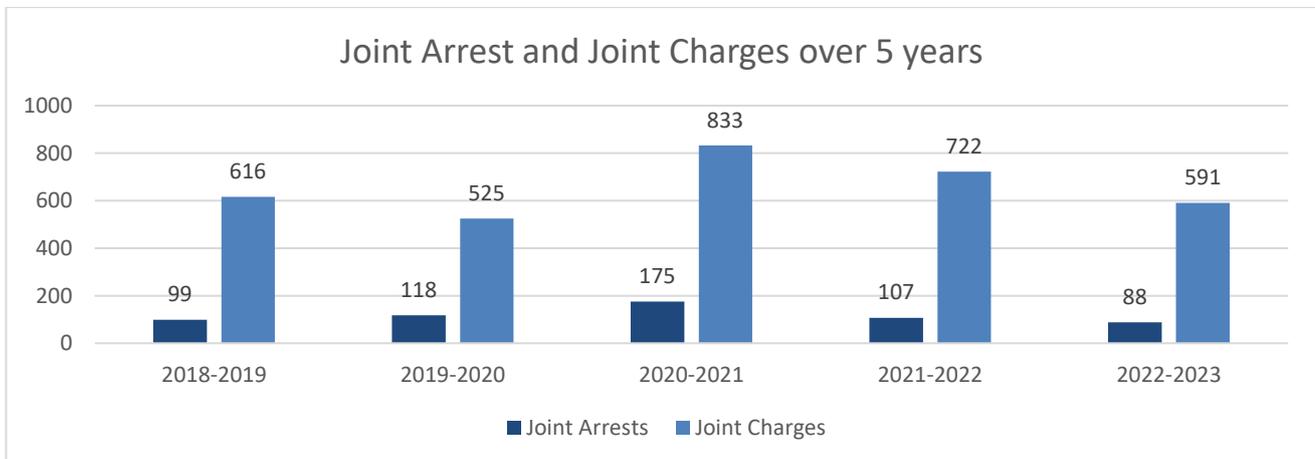


Figure 1 Joint arrests and charges over the past five years.

Joint arrest and charge numbers provide an indication of the impact of Commission investigations on the disruption of serious and organised crime in NSW. The raw figures alone are limited in their ability to demonstrate the impact of law enforcement interventions on organised crime networks. This is a challenge faced by most regulatory agencies. The Commission is working with experts in the field to develop a framework that will enable its impact to be more objectively assessed.

The Commission works closely with partners to strategically target vulnerabilities of high-risk criminal networks to maximise disruption of serious and organised crime. The Commission assesses that some of the joint arrests during the reporting period have had significant impact in dismantling syndicates and reducing their on-going capabilities. Investigations have allowed the Commission and its partners to identify new and emerging trends in relation to large scale cannabis cultivation, money laundering and concealment of criminal wealth.

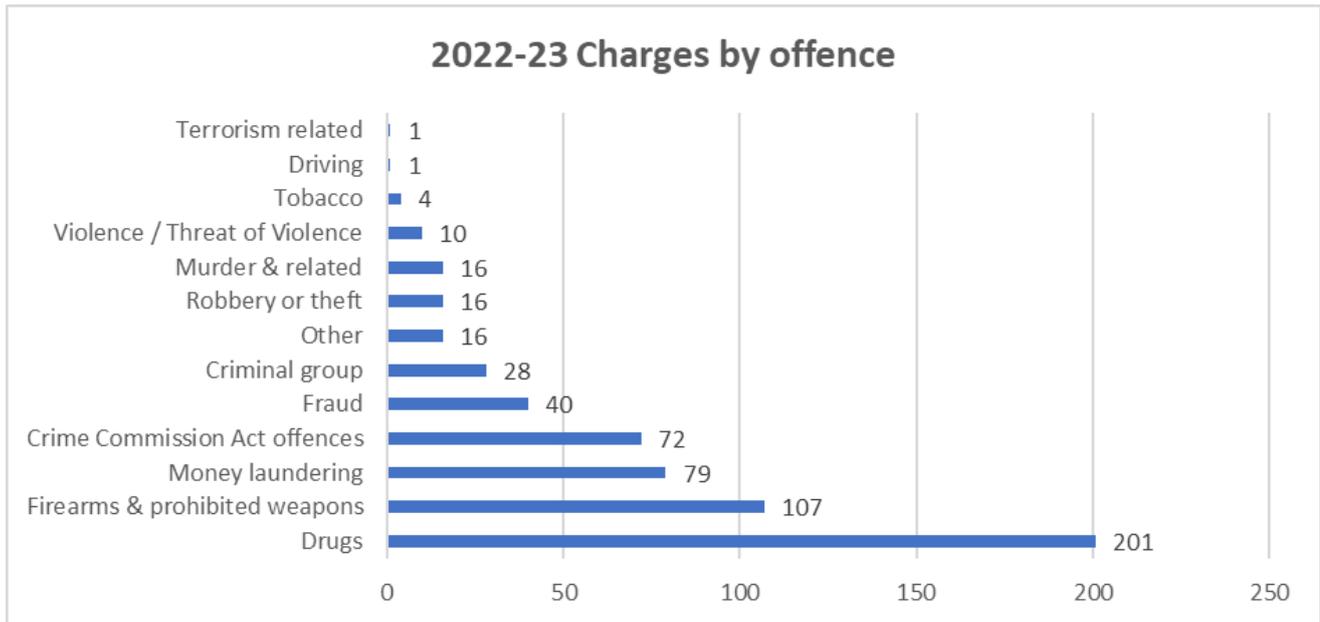


Figure 2 Charges by offence type

Drug and money laundering offence investigations account for most of our joint investigations and are reflected in the charges, however there was a significant reduction in drug and money laundering charges (51% and 25% respectively) from the previous financial year.

There were significant increases in charges for murder, firearms & prohibited weapons and robbery/ theft offences in line with additional resourcing of the Erebus Task Force and other homicide and kidnapping investigations. Offences under the CC Act increased to more than double the previous reporting year, from 23 in 2021/22 to 72 in 2022/23, reflective of a >60% increase in the number of hearings (103 in 2022-23 compared to 62 in 2021-22) and a lack of tolerance for witnesses who lie or refuse to cooperate.

Fraud offences increased substantially from the previous financial year. These often predicate or enable offences for other types of offending and reflect a deliberate drive by the Commission to focus on acquisition and concealment of criminal wealth through use of professional financial facilitators, sham mortgages and other loans and property development.

### Offences under the Crime Commission Act 2012

The Commission uses its special powers to advance investigations beyond what could be achieved by traditional law enforcement methods. Charges were laid for 72 offences under the CC Act, demonstrating that the Commission takes seriously its responsibility to use coercive powers effectively to advance criminal investigations.

Table 4 Breakdown of offences under the *Crime Commission Act 2012*

Charge	Number
Witness refuse or fail to answer question at hearing (section 25)	61
Knowingly give false or misleading evidence at hearing (section 27)	2
Witness refuse or fail to produce required document or thing (section 30)	1
Obstruct or hinder Commission in exercise of function (section 47G)	8
<b>Total charges</b>	<b>72</b>

### Intelligence Disseminations

Throughout the reporting period, the Commission disseminated information and intelligence to its partner agencies and others pursuant to the CC Act, the SD Act and the TIA Act. Details of Disseminations According to Section of Legislation can be found in Appendix N, with Dissemination by Recipient at Appendix O.

Dissemination is not required where information or intelligence is communicated from one staff member to another. Because the Commission conducts much of its work pursuant to task force arrangements in which police and other law enforcement officers are inducted as members of staff, the dissemination figures do not include a significant amount of intelligence product produced.



Source: NSWPF

### Financial Investigations Division

The Commission employs expert forensic accountants and financial analysts who specialise in tracing proceeds of crime and identifying assets held by, or on behalf of, people 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. Financial inquiries are also an invaluable aid in criminal investigations. Financial investigations are sometimes deployed as the leading investigative strategy, as organised criminal groups are primarily motivated by money.

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.

#### Case Study 7

*In 2014, the NSWPF had concluded a criminal investigation into the supply of prohibited drugs by AA, a person known to police. The drug charges against AA were eventually stayed, but after becoming aware of the extent of AA’s unexplained wealth, the Commission was able to commence CAR Act proceedings against AA and the company he effectively controlled in 2017. CAR proceedings were finalised with AA’s estate in 2023 and the confiscation order made against the estate was \$1.4 m.*

## Use of statutory information gathering powers

The Commission uses a range of statutory provisions to gather information, material and evidence in confiscation matters. The combined total number of FID notices issued under these provisions during the reporting period was 1157, which is 451 more than the previous year's total of 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.

Table 5 Use of the CAR Act provisions 2022-23

Orders	Sought	Granted
Examination orders (section 12 & 31D)	160	157
Statement of affairs order (section 12)	104	102
Statement of affairs order (s31D)	0	0
Production orders (section 33)	2	2
Search warrants (section 38)	0	0
Search warrants (sections 44 and 45)	4	4*
Monitoring orders (section 48)	0	0

\*One of the search warrants was not executed

## Warranties

When proceedings are finalised by consent, the Commission requires a defendant to provide a warranty as to their interests in property at the date of the signing the final consent orders. If the Commission subsequently discovers that the defendant failed to disclose an interest in property, the provisions of the CAR Act provide for the forfeiture of the undisclosed interest. If the defendant disposed of the undisclosed interest before it was discovered, the provisions allow for an order to be made requiring the defendant to pay to the Treasurer an amount equal to the value of the undisclosed interest. There were no matters that involved a breach of warranty.

## Referrals

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

Table 6 Referrals received past two years

Referrals received	2022-23	2021-22
Person subject of a referral and assessment	728	581
Defendants (proceeding commenced against)	110	91

## Confiscation and restraining orders

In 2022-23 there were 105 confiscation cases commenced. Most applications for PAOs & UWOs involved concurrent applications for both orders against the defendant.

Table 7 Breakdown of applications made for confiscation orders

Outcome	By consent
Asset Forfeiture Order (AFO)	153
Unexplained Wealth Order (UWO)	108
Proceeds Assessment Order (PAO)	107
<b>Total number of confiscation orders</b>	<b>368</b>

## Administrative Forfeiture Notices

The CAR Act was amended to include Part 3, Division 1A, which came into effect on 1 February 2023. This new section introduces Administrative Forfeiture Notice (AFN). The following table outlines Commission use of the legislation from February to June 2023.

Table 8 Administrative Forfeiture Notices

Outcome	Total
Number of AFNs issued	10
Estimated amount subject to AFNs issued	\$6,294,445
Number of dispute claims made	0
Number of court proceedings in relation to AFNs	0
Number of AFNs finalised	4
Amount realised by AFNs	\$3,326,270

## Performance Measures

During 2022-23, proceedings against 83 defendants were finalised.

Table 9 Total number of confiscation orders and AFNs finalised

Outcome	Total
Asset Forfeiture Orders (AFOs)	51
Administrative Forfeiture Notices (AFNs)	4
Unexplained Wealth Orders (UWOs)	28
Proceeds Assessment Orders (PAOs)	5
<b>Total number of confiscation orders and AFNs finalised</b>	<b>88</b>

During the reporting period all finalised proceedings were the result of a negotiated settlement rather than a contested hearing.

Each year a number of proceedings are finalised, usually by consent, with no confiscation order being made against the defendant. During the reporting period, proceedings against seven

defendants were finalised without a confiscation order being made. In all but one of these matters the proceedings were resolved on the basis that the Commission's applications for confiscation orders were dismissed and each party was to pay its own costs.

Table 10 Key figures compared with previous two years

Outcome	2022-23	2021-22	2020-21
CAR Act restraining orders	110	91	94
Confiscation orders sought without a restraining order	0	0	0
AFOs made	51	57	58
Estimated realisable value of AFOs	\$23,005,607	\$17,451,569	\$29,898,630
PAOs made	5	2	8
Estimated realisable value of PAOs	\$1,025,000	\$665,000	\$2,168,595
UWOs made	28	36	26
Estimated realisable value of UWOs	\$13,973,403	\$11,882,480	\$17,805,229
Orders for Breach of Warranty (BOWs)	0	0	0
Estimated realisable value of BOWs	\$0	\$0	\$0
Number of AFNs finalised	4	NA	NA
Amount realised by AFNs	\$3,326,270	NA	NA
Order for Compensation of victims (COVs)	0	2*	2**
Estimated realisable value of COVs	\$0	\$143,610	\$952,855
Total number of confiscation orders, AFNs finalised and COVs	88	97	94
Total estimated realisable value of confiscation orders, AFNs finalised & COVs	\$41,330,280	\$30,142,659	\$50,825,309
Production Orders (CAR Act)	2	13	8
Search warrants (CAR Act)	3	1	9
Monitoring orders (CAR Act)	0	0	0

\*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 *Confiscation of Proceeds of Crime Act 1989* that would likely to have otherwise remained unpaid.

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

## 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.

Using the estimated value of interests in property that are subject to restraining orders or, alternatively, the nominal value of confiscation orders, to assess results of confiscation proceedings is problematic. Both figures can overestimate the amount that could be paid to the State and result in an inflated impression of the Commission's success in this area. The difference in the estimates is shown in the following table.

Table 11 Estimated value of confiscation orders over the last three years

Outcome	2022-23	2021-22	2020-21
Estimated realisable value of confiscation orders and finalised AFNs*	\$41,330,280	\$30,142,659	\$50,825,309
Estimated value of property subject of proceedings and AFNs**	\$101,084,341	\$90,090,286	\$70,067,914

\*This is the measure of what will actually be recovered at the time the proceedings have been 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.

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

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

\*\*This is 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. In calculating this value only the interest of the defendant is estimated in, for example, real estate and other assets that are held jointly with another person. Similarly, the value is estimated after deducting the value of any debt that is secured over the relevant interest in property such as, for example, a loan secured by registered mortgage over real estate.

This measure is important because it estimates the maximum that the Commission could expect to realise from the proceedings. However it does not necessarily reflect what is actually realised from the proceedings.

Table 12 Number of confiscation orders and their estimated realisable value by referral agency, 2022-23

Source of referral	Orders	Value (\$)
NSWPF	74	28,967,886
NSWPF & the Commission	3	3,098,050
ICAC	1	104,390
The Commission	10	9,159,954
<b>Total</b>	<b>88</b>	<b>41,330,280</b>

The value of confiscation orders actually recovered is not the best measure of success in a reporting year. This is because it is unlikely that a confiscation order will be recovered in the same year it is made and may not be recovered for several years, which would make comparisons between years difficult. However, the Commission is responsible for collecting and monitoring all PAOs and AFOs that have been made and monitors the recovery, by the NSW Trustee and Guardian, of all interests in property that are the subject of AFOs and AFNs.

There is at times significant delay between the making of a confiscation order and its eventual recovery, ultimately the proceeds of all confiscation orders are deposited to the Confiscated Proceeds Account (CPA) operated by NSW Treasury.

**During the reporting period, \$41,623,854.95 was deposited into the CPA.**

### Living and Legal Expenses

The CAR Act makes allowances for applications for reasonable living and legal expenses under section 10B(3). People whose interests in property are restrained can make an application to the Court for an order varying the restraining order to allow for reasonable living expenses (of the defendant or his or her dependents) and/or reasonable legal expenses (of confiscation or criminal proceedings) to be met.

Table 13 During the reporting year, applications pursuant to section 10B(3) were made and determined as shown below

Result type	Living expenses	Legal expenses
Orders made by consent	3	26
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
<b>Total</b>	<b>3</b>	<b>26</b>

### Legal Costs

A consequence of the Commission resolving all proceedings in recent years by negotiated settlement is that it is rare for an order to be made that the Commission pay the defendant's costs for the proceedings or that the defendant pay the Commission's costs for the proceedings.

Within proceedings, the Commission will often defend applications made under section 10C of the CAR Act that allow the Court to set aside restraining orders if it believes the Commission has failed to satisfy the Court that there are reasonable grounds for the relevant suspicion, or for living or legal expenses. Although an order for the payment of costs may be made in such matters, whether the amount is actually paid will depend on the outcome of the substantive proceedings.

The Commission employs legal staff who work principally on confiscation litigation. In more complex cases, the Commission will occasionally brief counsel to make applications for restraining and consent orders. During the reporting period, counsels were briefed to conduct examinations of defendants and to appear for the Commission when matters were prepared for final hearing.

Table 14 Breakdown of legal costs for 2022-23

Legal costs	Legal expenses
Number of cost orders in favour of the Commission	1
Number of cost orders in favour of the defendant	0
Total cost of briefing outside counsel*	\$118,249.85 (excl. GST)

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

## Sharing with other Jurisdictions

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

Table 15 Matters NSW agreed to be shared during 2022-23

Number of matters	Shared with
8	Commonwealth

Table 16 Matters agreed to be shared with NSW during 2022-23

Number of matters	Received from
2	Commonwealth
1	South Australia

Table 17 Payments of matters shared by NSW during 2022-23

Defendants	Shared with	Total
6	Commonwealth	\$1,943,934.28

Table 18 Payments of matters shared with NSW during 2022-23

Number of matters	Received from	Total
2	Commonwealth	\$2,169,620

## Freezing Notices

During 2022-23, five freezing notices were issued to financial institutions by the Commissioner pursuant to section 48A of the CAR Act. These notices were issued where there was a reasonable suspicion that the funds held will be disposed of prior to the Commission making an application for a restraining order or the Supreme Court determining that application.

### Case Study 8

*The criminal charges against DD were eventually dropped but the Commission confiscated \$2m from DD, after 9 years of litigation. The Commission successfully defended an application to have the restraining order set aside. The matter was further complicated by the prosecution of DD for making false accusations against a case officer during the investigation. The Commission undertook complex financial analysis that traced DD's activities back to 1989, obtaining a large volume of evidence to quantify the UWO.*

## Corporate and Enterprise Services Division

During the 2022-23 reporting period, CES was led by the Chief Operating Officer and enabled the strategic plan of a sustainable agency through provision of CES functions.

### Complaints Handling

The Commission is committed to dealing with complaints made about the agency and/or its staff in a professional and timely manner. During the reporting period the Commission continued to improve its *Complaints Handling Policy and Procedures* and usability of internal complaint assessment forms. As part an agency-wide rebrand, significant work was undertaken to improve the Commission's website complaint submission form to better meet compliance obligations and improve the customer service experience. 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*, 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 the 2022-23 reporting period, the audit occurred on 6 June 2023. 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 the matter to the LECC under section 14 of the *Law Enforcement Conduct Commission Act 2016* (NSW). Details of how to make a complaint are publicly available on the Commission's website.

During the reporting period, the Commission received a total of 26 complaints recorded in the Commission's Complaints Register. Of these complaints:

- Nine related to the Commission or Commission staff. Five of these complaints were referred to the LECC under section 14 or section 33 of the LECC Act, with one being a public interest disclosure. The other four remaining complaints were referred to the LECC for information only or did not require referral.
- Thirteen related to the NSWPF and/or NSWPF officers and nine were of a notifiable nature under section 33 of the LECC Act. The remaining four complaints were either referred to NSWPF or the LECC for information and/or action.
- Four related to other Commonwealth/State agencies, non-government organisations or individuals and were subsequently directed onwards to the relevant agency.

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

## Proactive disclosure and statutory reporting

Due to the nature of its business, the Commission publishes limited information on its website. In accordance with section 7(3) of the *Government Information (Public Access) Act 2009* (GIPA Act), the Commission continued to review its available policies and procedures for proactive release and made these available on its website.

The Commission's Annual Report pursuant to section 125 of the GIPA Act is supplied at Appendix D.

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 Disclosures Act 1994* (PID Act) supplied at Appendix E, the Commission's Annual Report pursuant to section 45(1) of the SD Act supplied at Appendix F and the Commission's Annual Report pursuant section 242A of the LEPR Act supplied at Appendix G.

## Audit and Risk Committee (ARC)

The ARC continued to operate throughout the reporting period and met on a quarterly basis to discharge its obligations under its charter. The ARC had a fully independent membership as required by *TPP 20-08*. The Committee supported and oversaw the internal audit function by monitoring the development and execution of the 2022-23 Internal Audit Plan and by monitoring implementation of audit recommendations.

## External oversight of the Commission

As part of its governance responsibilities during the 2022-23 reporting period, 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 2022-23 reporting period and conducted an audit on 6 June 2023.

Under the LECC Act, a person may make a complaint to the LECC about a matter that involves or may involve misconduct of a Commission officer, which the LECC may investigate. Under the LECC Act, the Commission is required to notify the LECC of any possible misconduct by an officer of the Commission. The LECC may choose to oversight any complaint investigation carried out by the Commission.

### Commonwealth Ombudsman

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

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

From 27 February to 2 March 2023, the Commonwealth Ombudsman conducted an inspection of the Commission's telecommunications data and stored communications from 1 July 2021 to 30 June 2022.

### Parliamentary Joint Committee

For the 2022-23 reporting period, the Commission was subject to oversight of the Parliamentary Joint Committee, which also reviews performance of the NSW Ombudsman and the LECC. The

Committee tabled its review of the Commission's 2021-22 Annual Report in December 2022. There were no recommendations for change made by the Committee.

In accordance with section 71 of the CC Act, the functions of the Parliamentary Joint Committee are:

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

### **The Office of the Inspector of the Law Enforcement Conduct Commission (OILECC)**

The LECC is held accountable by an independent statutory officer, Mr Bruce McClintock SC from OILECC. The office has 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 2022-23 reporting period, the OILECC inspected the Commission's telecommunications interception records in October 2022 and in April and June 2023 for the period of 1 July 2022 to 30 June 2023. The inspection report did not identify any major issues and confirms the Commission is maintaining compliance with statutory requirements.

### **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*.

The Commission's audited financial statements for the 2022-23 reporting period are provided at the end of this annual report.

## Chapter Five - Management and Accountability

### Number and remuneration of senior executives

Throughout the reporting period the Commission employed two Statutory Officers, the Commissioner and the Assistant Commissioner (Legal).

Table 19 Number of senior executives by band level and gender

Band level	2022-23		2021-22	
	Male	Female	Male	Female
Statutory officers	2	0	2	0
PSSE 3	0	0	0	0
PSSE 2	3	0	3	0
PSSE 1	2	2	1	2

Table 20 Average remuneration packages (inclusive of salaries, superannuation and allowances) for the Commission's Statutory Officers & Public Sector Senior Executive (PSSE) at 30 June 2023 in comparison with the 2021-22 financial year

Band level	2022-23	2021-22
Statutory officers	\$530,148	\$520,757
PSSE 3	-	-
PSSE 2	\$362,371	\$355,266
PSSE 1	\$247,301	\$226,871

The total remuneration paid to the Commission's Statutory Officers throughout the 2022-23 reporting period formed 7 percent of total employee related expenditure. This percentage was identical to that recorded in the 2021-22 reporting period.

The total remuneration paid to the Commission's PSSEs throughout the 2022-23 reporting period formed 11 percent of total employee related expenditure. This compares to 12 percent in the 2021-22 reporting period.

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## Human Resources

Table 21 Number of officers and employees by category compared to the previous year

Personnel category	2022-23	2021-22
Statutory officers	2	2
GSE Act (PSSE)	7	6
GSE Act (permanent)	121	108
GSE Act (casual)	2	0
GSE Act (fixed term)	1	2
<b>Total</b>	<b>133</b>	<b>118</b>

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## Consultants

Table 22 Cost of consulting services engaged during the reporting period

Supplier	Services	Amount (excl. GST)
MD Media	Media consulting services relating to Project Islington	\$39,200
Capgemini	Comprehensive organisational review of Legal Services	\$229,545
<b>Total</b>		<b>\$268,745</b>

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## Promotion

During the reporting period there were no overseas visits by employees and officers to promote investment in NSW. Two Commission officers travelled to New Zealand to attend a multijurisdictional Serious Organised Crime conference as part of their official duties.

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## Requirements arising from employment arrangements

The Commission, as a reporting entity, comprises of itself and the New South Wales Crime Commission Staff Agency. The Staff Agency is a special purpose entity with the sole intention of providing personnel services to the Commission.

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## Legal Change

There were significant changes to the Commission's legislation during the reporting period.

The CC Act and the CAR Act (which together set out the Commission's primary functions, powers and duties) were amended by the *Confiscation of Proceeds of Crime Legislation Amendment Act 2022* and came into effect on 1 February 2023. The amendments included clarification of the preventative and disruptive objectives of the Commission, a variety of changes to increase the Commission's

ability to confiscate unexplained wealth, as well as strengthening the Commission's secrecy provisions and its powers to take action for contempt of the Commission.

Separately, in August 2022 the Crime Commission Regulation 2012 was repealed and replaced by the Crime Commission Regulation 2022. The new regulation includes clauses designed to further strengthen and supplement the rigour of the Commission's personnel security vetting process for prospective and current employees.

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## Risk management and insurance activities

The Commission maintained a consolidated enterprise risk register which covered Executive, Divisional and Fraud and Corruption risks. The Commission's Risk Management Framework, overseen by the ARC, was consistent with ISO 31000:2018.

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 2022-23 reporting period the Commission made one insurance claim which was related to a motor vehicle incident.

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## Cyber Security Policy attestation

The Commission's Cyber Security Annual Attestation for the 2022-23 financial year can be found at Appendix I.

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## Internal Audit

The Audit and Risk Management Attestation statement is supplied at Appendix J.

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## Privacy and Personal Information Protection Act Compliance

The Commission manages personal and health information in accordance with its Privacy Management Plan. The Commission's Privacy Management Plan was revised in the 2022-23 reporting year.

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 2022-23 reporting period.

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## Government Information (Public Access) Act 2009 (GIPA Act)

The annual GIPA Act report is supplied at Appendix D.

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## Public Interest Disclosures Act 1994 (PID Act)

The annual PID Act Report is supplied at Appendix E.

## Chapter Six – Sustainability

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### Modern Slavery Act 2018 statement

Under the *Modern Slavery Act 2018*, the Commission is required to prepare and publish an annual statement outlining the steps taken to identify and address the risk of modern slavery in its operations and supply chains.

The Commission is committed to respecting and promoting human rights and takes action to identify and address the risks of modern slavery in its operations and procurement. The Commission undertakes most procurement through the engagement of suppliers endorsed by NSW Procurement, who undertake risk assessments across the supply chain and ensure ethical buying practices are in place and followed.

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### Work health and safety

The Commission is committed to the health, safety and wellbeing of all employees, contractors and visitors. A comprehensive audit of Workplace Health and Safety was undertaken in the reporting period by external auditors. Effective policy and procedures are in place to ensure compliance of the workplace health and safety legislation. The Commission Executive and the Audit & Risk Committee receive regular reports about work health and safety information including incidents, hazards and initiatives.

In the 2022/23 financial year there were no workplace health and safety related prosecutions under the *Work Health and Safety Act 2011* (Cth).

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### Workforce diversity

The Commission remains committed to promoting cultural and social diversity through fostering a culture that is supportive of workforce diversity principles. Throughout the reporting period the Commission's Diversity and Inclusion Committee championed and encouraged diversity, inclusion and equality of opportunity across the Commission. The Commission's Multicultural Plan 2021-2026 ensures that diversity and inclusivity remain at the forefront of Commission thinking in day-to-day activities through initiatives such as:

- making translator and interpreter services available for operational activities
- using annual equal employment opportunity (EEO), workforce profile data and People Management Survey Data to support planning and delivery of diversity and inclusivity outcomes
- ensure that staff are aware of the different ways to raise issues relating to cultural diversity and inclusivity.

In the reporting period the Commission launched a Women's Mentoring Network program providing mentoring access to senior leaders from across the public and private sectors to share their knowledge, skills and experience with Commission staff.

The Commission participates in an annual internship program led by the Public Service Commission with CareerTrackers to provide opportunities for pre-professional Indigenous university students.

The Commission also promoted International Women's Day, Harmony Week, NAIDOC Week and Sydney World Pride by various means during the reporting period.

The strategies outlined in the Commission's Multicultural Plan and EEO Management Plan will form the framework for the Commission's continued commitment to the pursuit of workforce diversity in the period up until 2026.

Table 23 Size of agency over the past three years

Size of agency	% change 2022 to 2023	2023	2022	2021
Headcount	12.9%	131	116	121

Table 24 Commission staff at 30 June 2023 (excluding statutory officers)

Size of agency	Headcount	FTE
Headcount – Women	80	74.20
Headcount – Men	51	50.80
<b>Total</b>	<b>131</b>	<b>125</b>

Table 25 Commission staff by grade and gender at 30 June 2023

Grade**	Female	Male
Grade 1/2	5*	1*
Grade 3/4	18	8
Grade 5/6	15	5
Grade 7/8	18	10
Grade 9/10	5	8
Grade 11/12	17	12
PSSE 1	2	2
PSSE 2	-	3
SOORT	-	2
<b>Total</b>	<b>80</b>	<b>51</b>

\*Includes two GS10 and one Clerk 13

\*\*Non-executive Commission employees are employed under the terms and conditions of the Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009 and are remunerated under the provisions of the Crown Employees (Public Sector – Salaries 2022) Award.

Table 26 Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark	2023	2022	2021
Headcount – Women	50%	61.5%	59.1%	57.0%
Aboriginal and Torres Strait Islander People	3.3%	0.0%	0.0%	0.0%
People whose first language spoken as a child was not English	23.3%	31.4%	30.7%	29.9%
People with disability	5.6%	5.0%	4.9%	3.4%
People with a disability requiring work-related adjustment	N/A	0.8%	0.0%	0.0%

Table 27 Data representing females in senior leadership roles

Female senior leaders	Sector target	2023	2022	2021
Women in senior leadership roles - %	50%	22.2%	33.3%	18.2%
Women in senior leadership roles - headcount	N/A	2	3	2

## Equal Employment Opportunity (EEO)

The Commission was committed to delivering a stronger NSW through diversity and equitable access to services and programs for all staff during the 2022-23 year.

During the reporting period the Commission maintained its EEO Management Plan 2021-26 consistent with the requirements of Part 9A of the *Anti-Discrimination Act 1977* (NSW). 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
- EEO outcomes form part of the workforce planning process
- policies and procedures are non-discriminatory and enhance EEO principles
- skills development and career progression opportunities are informed by EEO principles.

The Commission continues to support opportunities for Aboriginal and Torres Strait Islanders in the workforce. This has included internships through CareerTrackers.

## Disability Inclusion Action Plan

The Commission's Disability Inclusion Action Plan 2018-22 was developed in accordance with the provisions of relevant legislation, including the *Disability Discrimination Act 1992* (Cth), the *Anti-Discrimination Act 1977* (NSW) and the *Disability Inclusion Act 2014* (NSW).

The Commission is committed to providing the necessary resources to treat staff and members of the public in an equitable, professional and compassionate manner concerning their disabilities. The Commission's Disability Inclusion Action Plan is monitored annually against stated outcomes and a report is then prepared for the Commissioner. The plan will be reviewed and updated in the next reporting period.

During the reporting period:

- all new Commission employees were given access to and confirmed in writing that they had read and understood the Commission's Disability Action Plan
- emergency evacuation lights were installed to ensure hearing impaired employees and visitors are aware of emergency office evacuation situations
- content of lunchtime seminars was transcribed to accommodate the needs of hearing impaired employees
- recruitment questions were provided to hearing impaired applicants in writing to ensure fairness in the recruitment process
- lift buttons and toilet facilities in the Commission building have braille signs for the benefit of visually impaired individuals
- there have been no complaints made to the Commission about access to the Commission premises, information, or job opportunities for people with disabilities.

## Chapter Seven - Financial Performance

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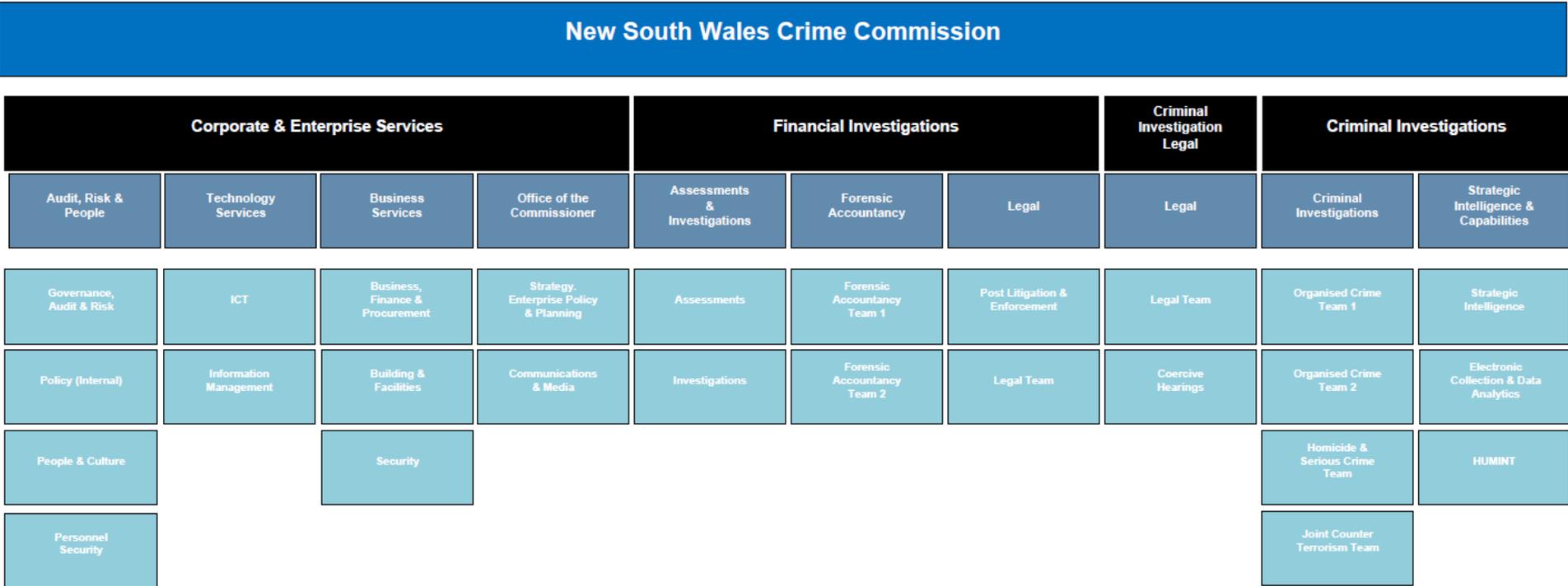
### Financial statements

Audited financial statements are supplied at the end of this document.

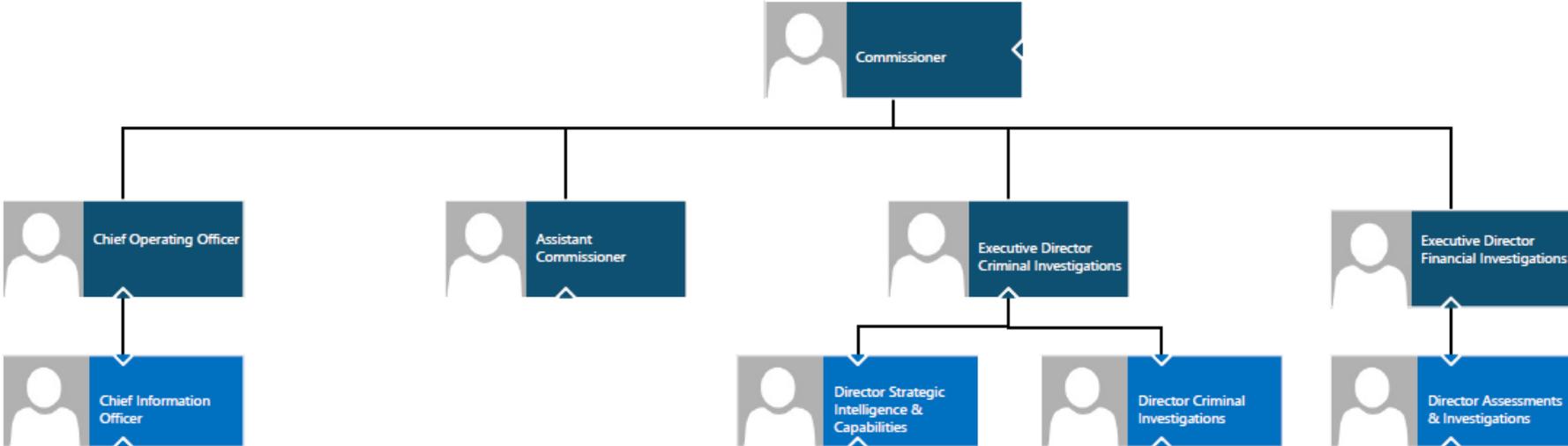
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# Appendices

Appendix A: Commission’s functional organisational structure



Appendix B: Executive structure



## Appendix C: Complaint handling 3-year summary

**TABLE 1**

**Breakdown of Complaints Received**

	2022-23 FY	2021-22 FY	2020-21 FY
NSWCC complaints	9	5	8
NSWPF complaints	13	8	9
Other complaints	4	3	10
<b>TOTAL</b>	<b>26</b>	<b>16</b>	<b>27</b>

**NOTES ON TABLE 1**

The number of NSWCC complaints have remained low and consistent over the period. NSWPF complaints have slightly increased for the 2022-23 period but it is expected that with the revised online reporting form there will be less NSWPF related complaints received moving forward. There has been a decrease in complaints received that do not relate to either the NSWCC or NSWPF and this is expected to continue on a downward trend with the revisions to the online complaints form.

**TABLE 2**

**Sources of Complaints**

	2022-23 FY	2021-22 FY	2020-21 FY
Externally received	20	12	23
Internally received	6	4	4
<b>TOTAL EXTERNAL/INTERNAL</b>	<b>26</b>	<b>16</b>	<b>27</b>

**NOTES ON TABLE 2**

The majority of complaints received over the period were from external parties however, there has been a slight uptake in internally referred complaints which may be due to increased staff training, better awareness of the complaint handling process and trust in the Commission that complaints will be handled appropriately. Ongoing reminder emails to staff are necessary to ensure staff are aware of their obligations under the Complaints Handling Policy and LECC guidelines.

**TABLE 3**

**Complaints Referred to the LECC**

	2022-23 FY	2021-22 FY	2020-21 FY
NSWCC related	5	5	3
NSWPF related	9	6	5
<b>TOTAL</b>	<b>14</b>	<b>11</b>	<b>8</b>

**NOTES ON TABLE 3**

Over the period, NSWCC related complaints referred to the LECC remained consistent. There has been a minor increase in NSWPF complaint referrals to the LECC. The Commission has one matter currently ongoing in the 2023-24 financial year that remains from the 2022-23 reporting period. This is matter **22/07** (Ali Abbas complaint). The LECC have indicated they are conducting a preliminary investigation.



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

Section 125

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

**1 July 2022 – 30 June 2023**

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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(1) of the Act, was submitted to the Information and Privacy Commission ('IPC') on 4 September 2023 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.

The Commission continually evaluated possibilities for the proactive release of information. In addition to the upload to the Commission website of over 20 documents identified as suitable for release in the previous reporting period, additional information was reviewed when documents were created during the

2022-23 period and where possible were also proactively released by publication on the Commission website.

## 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 2022–23 reporting year, the Commission received 2 partially 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 2022-23 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 tables to be included in the annual GIPA report relating to statistical information about access applications. The tables on the following pages detail the statistical information of the Commission during the 2022–23 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	1	0	0	0	0
Members of the public (other)	0	0	0	1	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.

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	1	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	1	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).

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)	2
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	2
Invalid applications that subsequently became valid applications	2

Two applications were partially invalid because they sought excluded information but the part of the applications that remained valid were processed to completion. These are recorded as the two invalid applications, as well as the two invalid applications that subsequently became valid.

<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)	2
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	2	2
Review by Information Commissioner*	0	2	2
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

One application, in relation to which two decisions were made (one that the application was partially invalid and one that no information was held) was the subject of internal review within the Commission as well as by the IPC. The initial decisions were upheld on internal review, and the internal review decisions were upheld on review by the Information Commissioner.

<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

***Public Interest Disclosures Act 1994 (NSW)***

Section 31

**REPORT BY THE**

**NEW SOUTH WALES CRIME COMMISSION**

**1 July 2022 – 30 June 2023**

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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 2023, Commission staff completed mandatory training in relation to the Commission's Code of Conduct. Sections 7.1 and 7.3 of the Code of Conduct provide staff with information relating to the Act, including references to relevant legislation, policies and procedures.



Michael Barnes  
Commissioner  
Date: 28/08/2023

***Surveillance Devices Act 2007***  
Subsection 45 (3)

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

**1 July 2022 – 30 June 2023**

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Pursuant to subsection 45 (1) of the *Surveillance Devices Act 2007* ('the Act'), the Attorney General is to prepare a report as soon as practicable after the end of each financial year, and in any event within 3 months after the end of the financial year, that includes the information sought in paragraphs 45 (1) (a)-(c) of the Act.

Subsection 45 (3) of the Act provides that the Attorney General may require the chief officer of a law enforcement agency, including the New South Wales Crime Commission ('the Commission'), to furnish such information relating to the use of surveillance devices by law enforcement officers of the agency as is necessary to enable the Attorney General to prepare the report.

**1. Applications for Warrants**

Paragraph 45 (1) (a) of the Act provides that the annual report is to 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 2022-2023. 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 2022-2023. 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 2022-2023. 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 2022-2023 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 2022-2023 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 2022-2023.

### **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 2022-2023.

## 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 2022-2023.

## 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



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 Michael Barnes  
 Commissioner

Date: 10/08/2023

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

Section 242A

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

**1 July 2022 – 30 June 2023**

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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 2022–2023.

**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 2022–2023.

**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 2022–2023.

#### **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 2022–2023.

#### **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 2022–2023.

#### **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 2022–2023.

#### **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 2022–2023.

#### **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 2022–2023.

#### **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 2022–2023.

#### **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 2022–2023.

## 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 2022–2023.



-----  
Michael Barnes  
Commissioner

Date: 10/08/2023

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

Section 35

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

**1 July 2022 to 30 June 2023**

-----

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 did not grant any authorities under the Act in 2022-2023. There were two 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 2022-2023.

### **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 2022-2023. 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 2022-2023.



Michael Barnes  
Commissioner  
Date: 29/08/2023

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## Appendix I: Cyber Security Annual Attestation Statement



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29 September 2023

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 2022-23 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 and transition audit undertaken in August 2023 have confirmed the Commission maintains its certification and has successfully transitioned to the new ISO 27001 2022 standard.

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

**INTERNAL AUDIT AND RISK MANAGEMENT ATTESTATION STATEMENT FOR THE 2022-23 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:

<b>Core Requirements</b>	<b>For each requirement, please specify whether compliant, non-compliant, or in transition</b>
<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	<b>Compliant</b>

consistent with the content of the 'model charter'.

### **Audit and Risk Committee**

- |     |   |                  |
|-----|---|------------------|
| 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 Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | <b>Compliant</b> |
| 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'.   | <b>Compliant</b> |

### **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, **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: 31/08/2023

**Contact Officer:** Michael Wilde  
Chief Operating Officer  
E: [mwilde@crimecommission.nsw.gov.au](mailto:mwilde@crimecommission.nsw.gov.au)  
T: 9269 3888

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

Applications/Warrants (and section of the Act)	2022-23
Applications for A-party service warrants (section 46(1)(d)(i))	14
Applications for A-party service warrants withdrawn	0
A-party service warrants refused	0
<b>Total A-party service warrants issued</b>	<b>14</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)	4
Applications for named person warrants withdrawn	0
Named person warrants refused	0
<b>Total named person warrants issued</b>	<b>4</b>
Applications for stored communications warrants (section 116)	0
Applications for stored communications warrants withdrawn	0
Stored communications warrants refused	0
<b>Total stored communications warrants issued</b>	<b>0</b>
Applications for entry warrants (section 48)	0
Applications for entry warrants withdrawn	0
<b>Total entry warrants issued</b>	<b>0</b>
<b>Total all warrants</b>	<b>18</b>

Applications/Warrants (and section of the Act)	Total
Destructions of intercepted material	-
Destructions of stored communications	-
Existing data authorisations (section 178)	2171
Prospective data authorisations (section 180)	781

---

## Appendix L: 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

---

## Appendix M: 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)	93	0	93
Notices to State public agencies (section 28)	11	11	22
Notices to produce (section 29)	187	1,146	1,333
Arrest warrants (section 36)	0	0	0
Applications to the Supreme Court (section 33)	0	0	0
Other court proceedings (section 35A)	3	0	3

---

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

Act	Disseminations
CC Act section 13	376
TIA Act section 68	9
TIA Act section 139(2)	0
TIA Act section 67	153
SD Act section 40(4)	1
SD Act section 40(5)	0

## Appendix O: Disseminations by Recipient

Recipient	Instances
Australian Commission for Law Enforcement Integrity	1
Australian Criminal Intelligence Commission (ACIC) (previously ACC)	52
Australian Border Force	3
Australian Federal Police	53
Australian Taxation Office	2
Australian Transaction Reports and Analysis Centre	4
Commonwealth Department of Public Prosecutions	2
Corrective Services NSW	11
Court	1
Defence / Defendant	38
Department of Home Affairs (AU)	7
Independent Commission Against Corruption	4
Law Enforcement Corruption Commission	2
Joint Counter Terrorism Team	2
Northern Territory Police	4
NSW Crime Commission Hearing	1
NSW Joint Advisory Group	22
NSW Office of the Department of Public Prosecutions	51
NSWPF	199
Queensland Police Service	2
Victoria Police	5
Western Australia Police	2
Australian Government Security Vetting Agency	1
Drug Enforcement Agency (USA)	1
Federal Bureau of Investigation (USA)	1

Recipient	Instances
Foreign Law Enforcement - Netherlands Police	2
Inland Revenue Service (USA)	1
National Crime Authority UK	2
NSW Independent Liquor & Gaming Authority	1
NZ Police	1
Other Agencies - Special Commission of Inquiry into LGBTIQ+ hate crimes	55
Other Agencies (New South Wales Minister for Police and Counter-Terrorism)	2
Other Agencies (QCCC - Queensland Crime and Corruption Commission)	1
Other Agencies - Alternative Communications Working Group	2
Queensland Racing Integrity Commission	1
<b>Total</b>	<b>539</b>

## Appendix P: Organised crime linked murders 2022-23

Date	Victim	Event	Updates	Strike Force	Commission investigating
27/6/2023	Alan Moradian	Homicide at Bondi Junction, NSW 2022	One person has been charged with Murder (SI). Another person was charged with Murder (SI) and Participate Criminal Group (T2).	SF Parachuter	Yes
22/3/2023	Marvin Oraiha	Homicide at Elizabeth Hills, NSW 2171	One person was charged with Murder (SI), Take & drive conveyance without consent of owner (T2), Possess unauthorised pistol (T2), Participate criminal group and Contribute criminal activity. Another person was charged with Possess unauthorised pistol (T2), Not keep firearm safely (pistol), Unauthorised person fail to surrender firearm, Supply pistol to person unauthorised to possess it (SI), Possess or use a prohibited weapon without permit (T2) and Possess ammunition without holding licence/permit/authority.	SF Hackenberg	Yes
2/3/2023	Taha Sabbagh	Homicide at Sefton, NSW 2162	Information is unknown as the NSWCC is not involved in this investigation.	SF Pemak	No
13/8/2022	Lametta Fadlallah and Amner 'Amy' Al Hazzouri	Double homicide at Panania NSW, 2213	Nil updates at this time.	SF Laurantus	Yes

## Glossary and Abbreviations

Term	Definition
ACIC	Australian Criminal Intelligence Commission
AFO	Asset Forfeiture Order
AFN	Asset Forfeiture Notice
AFP	Australian Federal Police
ARC	Audit and Risk Committee
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
CES	Corporate and Enterprise Services
CID	Criminal Investigations Division
COV	Compensation of Victim
CPA	Confiscated Proceeds Account
Cth	Commonwealth
DECCD	Dedicated Encrypted Criminal Communication Devices
EEO	Equal Employment Opportunity
FID	Financial Investigations Division
GIPA Act	Government Information (Public Access) Act 2009
GSE Act	Government Sector Employment Act 2013
JAG	Joint Analyst Group
JCTT	Joint Counter Terrorism Team
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)

<b>Term</b>	<b>Definition</b>
LEPR Act	Law Enforcement (Powers and Responsibilities) Act 2002
LS	Legal Services
NSW	New South Wales
NSWPF	NSW Police Force
OCS	Organised Crime Squad
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 Executive
Reporting Period	1 July 2022 to 30 June 2023
SD Act	Surveillance Devices Act 2007
SOC	serious organised crime
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 certain information specified in the *Government Sector Finance Act 2018 (GSF Act)*, the CC Act and Treasury circulars in its Annual Report. The specified information categories and the locations within this report where the information may be found are as follows:

Requirement	Page(s)/Comment
Acknowledgement of Country	i
Aims and objectives and charter	3
Amount realised by forfeitures (AFNs under the CAR Act 1990)	18
Application for extension of time	Not applicable
Applications to the Supreme Court under section 33 CC Act and other Court proceedings	61
Asset Forfeiture Notices issued and finalised (under the CAR Act)	18
Audited financial statements	From page 70
Consultants	27
Court proceedings involving the Commission (in relation to forfeitures)	18
Cyber security annual attestation	28, 54-55
Disability inclusion action plans	32
Description of matters referred for investigations	4
Disseminations (Information furnished to investigative agencies)	16, 62-64
Dispute claims made (under the CAR Act)	18
Economic or other factors	Not applicable
Events arising after the end of the annual reporting period	Not applicable
Exemptions	Not applicable
Financial statements (annual GSF financial statements)	From page 70
Freezing notices	22
Government Information (Public Access) Act 2009	24, 28, 38-42
Human resources	27
Implementation of price determination	Not applicable
Internal audit and risk management attestation	28, 56-57

Requirement	Page(s)/Comment
Investment and Liability Management performance	Not applicable
Land disposal	Not applicable
Legal change	27
Letters of submission	ii, iii
Liability management performance	Not applicable
Management and activities	4
Management and structure	3
Modern Slavery Act 2018 (NSW) reporting	29
Matters referred for investigation	4, 13, 17
Numbers and remuneration of senior executives	26
Other information	i
Patterns and trends in the nature and scope of organised crime	6-11
Performance information	12-25
Privacy and Personal Information Protection Act 1998 Compliance	28
Promotion	27
Prosecutions resulting from investigations	14
Public Interest Disclosures (PID)	24, 28, 43-44
Recommendations for changes in laws or for administrative action	Not applicable
Requirements arising from employment arrangements	27
Research and development	Not applicable
Risk management and insurance activities	28
Strategic objectives and outcomes	3, 5
Summary review of operations	12-25
Warrants issued under section 36 CC Act 2012	61
Work health & safety	29
Work-force diversity	29-32

## Audited Financial Statements



## INDEPENDENT AUDITOR'S REPORT

### New South Wales Crime Commission

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of the New South Crime Commission (the Commission), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, 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 Commission's 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 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).

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

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

## 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 Commission's ability 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/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf) OR [www.auasb.gov.au/auditors\\_responsibilities/ar6.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar6.pdf). The description forms part of my auditor's report.

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

- that the Commission 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.



Susan Prichard  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

6 October 2023  
SYDNEY

**NEW SOUTH WALES CRIME COMMISSION  
CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

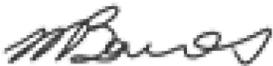
## New South Wales Crime Commission

### Financial Statements for the year ended 30 June 2023

#### 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 2023, 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: 06 October 2023

Start of audited financial statements.

## NEW SOUTH WALES CRIME COMMISSION

### Statement of Comprehensive Income for the year ended 30 June 2023

	Notes	Consolidated			Statutory Corporation	
		Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000	Actual 2023 \$'000	Actual 2022 \$'000
<b>Expenses excluding losses</b>						
Employee-related expenses	2(a)	19,414	19,413	18,055	-	-
Operating expenses	2(b)	10,862	10,967	11,586	10,862	11,586
Personnel services	2(c)	-	-	-	19,414	18,055
Depreciation and amortisation	2(d)	1,225	925	3,475	1,225	3,475
Finance Costs	2(e)	-	-	81	-	81
<b>Total expenses excluding losses</b>		<b>31,501</b>	<b>31,305</b>	<b>33,197</b>	<b>31,501</b>	<b>33,197</b>
<b>Revenue</b>						
Grants and contributions	3(a)	30,178	30,210	30,661	30,861	31,106
Acceptance by the Crown in right of the State of New South Wales of employee benefits and other	3(b)	683	803	445	-	-
Other income	3(d)	523	60	2,411	523	2,411
<b>Total revenue</b>		<b>31,384</b>	<b>31,073</b>	<b>33,517</b>	<b>31,384</b>	<b>33,517</b>
<b>Operating result</b>		<b>(117)</b>	<b>(232)</b>	<b>320</b>	<b>(117)</b>	<b>320</b>
Gains / (losses) on disposal	4	(53)	-	(42)	(53)	(42)
Other gains / (losses)	5	-	-	1,585	-	1,585
<b>Net result</b>		<b>(170)</b>	<b>(232)</b>	<b>1,863</b>	<b>(170)</b>	<b>1,863</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(170)</b>	<b>(232)</b>	<b>1,863</b>	<b>(170)</b>	<b>1,863</b>

The accompanying notes form part of these financial statements.

# NEW SOUTH WALES CRIME COMMISSION

## Statement of Financial Position as at 30 June 2023

	Notes	Consolidated			Statutory Corporation	
		Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000	Actual 2023 \$'000	Actual 2022 \$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	6	1,871	651	804	1,871	804
Receivables	7	1,149	609	2,295	1,149	2,295
<b>Total Current Assets</b>		<b>3,020</b>	<b>1,260</b>	<b>3,099</b>	<b>3,020</b>	<b>3,099</b>
<b>Non-Current Assets</b>						
Property, plant and equipment	8					
Land and buildings		-	111	111	-	111
Plant and equipment		2,092	2,350	2,654	2,092	2,654
Intangible assets	9	691	433	679	691	679
<b>Total Non-Current Assets</b>		<b>2,783</b>	<b>2,894</b>	<b>3,444</b>	<b>2,783</b>	<b>3,444</b>
<b>Total Assets</b>		<b>5,803</b>	<b>4,154</b>	<b>6,543</b>	<b>5,803</b>	<b>6,543</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	10	1,704	461	2,211	949	1,906
Provisions	11	2,130	1,752	2,198	2,943	2,556
<b>Total Current Liabilities</b>		<b>3,834</b>	<b>2,213</b>	<b>4,409</b>	<b>3,892</b>	<b>4,462</b>
<b>Non-Current Liabilities</b>						
Provisions	12	58	29	53	-	-
<b>Total Non-Current Liabilities</b>		<b>58</b>	<b>29</b>	<b>53</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>3,892</b>	<b>2,242</b>	<b>4,462</b>	<b>3,892</b>	<b>4,462</b>
<b>Net Assets</b>		<b>1,911</b>	<b>1,912</b>	<b>2,081</b>	<b>1,911</b>	<b>2,081</b>
<b>EQUITY</b>						
Accumulated funds	13	1,911	1,912	2,081	1,911	2,081
<b>Total Equity</b>		<b>1,911</b>	<b>1,912</b>	<b>2,081</b>	<b>1,911</b>	<b>2,081</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 2023

	Accumulated	
	Funds	Total
	\$'000	\$'000
Balance at 1 July 2022	2,081	2,081
Net result for the year	(170)	(170)
Other comprehensive income	-	-
Total comprehensive income for the year	(170)	(170)
Balance at 30 June 2023	1,911	1,911
Balance at 1 July 2021	218	218
Net result for the year	1,863	1,863
Other comprehensive income	-	-
Total comprehensive income for the year	1,863	1,863
Balance at 30 June 2022	2,081	2,081

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 2023

	Notes	Consolidated			Statutory Corporation	
		Actual	Budget	Actual	Actual	Actual
		2023	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee related		(18,343)	(18,610)	(17,518)	-	-
Personnel Services		-	-	-	(18,343)	(17,518)
Finance Costs		-	-	(81)	-	(81)
Other		(12,487)	(10,967)	(12,572)	(12,487)	(12,572)
<b>Total Payments</b>		<b>(30,830)</b>	<b>(29,577)</b>	<b>(30,171)</b>	<b>(30,830)</b>	<b>(30,171)</b>
<b>Receipts</b>						
Grants and contributions		30,178	30,210	30,661	30,178	30,661
Other		2,336	60	3,320	2,336	3,320
<b>Total Receipts</b>		<b>32,514</b>	<b>30,270</b>	<b>33,981</b>	<b>32,514</b>	<b>33,981</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	16	<b>1,684</b>	<b>693</b>	<b>3,810</b>	<b>1,684</b>	<b>3,810</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>						
Proceeds from sale of property, plant and equipment		70	-	-	70	-
Purchase of property, plant and equipment		(284)	(582)	(1,672)	(284)	(1,672)
Purchase of intangibles		(403)	(100)	(2)	(403)	(2)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(617)</b>	<b>(682)</b>	<b>(1,674)</b>	<b>(617)</b>	<b>(1,674)</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>						
Payment of principal portion of lease liabilities		-	-	(2,290)	-	(2,290)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>(2,290)</b>	<b>-</b>	<b>(2,290)</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>1,067</b>	<b>11</b>	<b>(154)</b>	<b>1,067</b>	<b>(154)</b>
Opening cash and cash equivalents		804	640	958	804	958
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	6	<b>1,871</b>	<b>651</b>	<b>804</b>	<b>1,871</b>	<b>804</b>

Cash flows in financing activities in the current year is not required due to the derecognition of AASB 16 *Leases* at 30 June 2022.

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 2023 have been authorised for issue by the Commissioner on 06 October 2023.

### (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.

### (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.

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

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

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

### (e) 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 2022-23

The accounting policies applied in 2022-23 are consistent with those of the previous financial year except as a result of the following new or revised AAS that been applied for the first time in 2022-23:

- *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 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- *AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*

Based on the Commission's assessment, the first-time adoption of the above AAS will not impact on the transactions and balances recognised in the financial statements for the year ending 30 June 2023.

#### (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*

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

- *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 2021-7b 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*
- *AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information*
- *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*
- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- *AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*
- *AASB 2022-9 Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector*
- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

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

### **(h) Impact of COVID-19 on Financial Reporting 2022 - 2023**

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

## 2. Expenses Excluding Losses

	Consolidated		Statutory Corporation	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(a) Employee related expenses				
Salaries and wages (including annual leave)	15,757	15,545	-	-
Superannuation - defined benefit plans	33	36	-	-
Superannuation - defined contribution plans	1,495	1,259	-	-
Long service leave	697	202	-	-
Workers' compensation insurance	92	76	-	-
Payroll tax and fringe benefit tax	923	809	-	-
Other	417	128	-	-
	<u>19,414</u>	<u>18,055</u>	-	-
(b) Other operating expenses				
Auditor's remuneration				
- audit of the financial statements	54	52	54	52
Building lease expenses*	2,930	593	2,930	593
Maintenance**	234	608	234	608
Insurance premium	49	46	49	46
Building restoration costs (insurance claim)	192	2,652	192	2,652
Office utilities	184	148	184	148
Office supplies	214	500	214	500
Computer services	3,700	4,279	3,700	4,279
Travel expenses	107	30	107	30
Motor vehicle expenses	43	35	43	35
Service and legal fees	1,156	649	1,156	649
Telecommunications	478	769	478	769
Maintenance agreements	1,500	1,223	1,500	1,223
Other	21	2	21	2
	<u>10,862</u>	<u>11,586</u>	<u>10,862</u>	<u>11,586</u>
*Building lease expenses have increased due to the derecognition of AASB 16 <i>Leases</i> in June 2022.				
** <i>Reconciliation - Total Maintenance</i>				
Maintenance expense - contracted labour and other (non-employee related), as above	234	608	234	608
Personnel services maintenance expense included in Note 2(a)	60	58	-	-
Total maintenance expenses included in Note 2(a) and 2(b)	<u>294</u>	<u>666</u>	<u>234</u>	<u>608</u>
(c) Personnel services				
New South Wales Crime Commission Staff Agency	-	-	19,414	18,055
	<u>-</u>	<u>-</u>	<u>19,414</u>	<u>18,055</u>

## 2. Expenses Excluding Losses (continued)

### 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.

#### *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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(d) Depreciation and amortisation expense				
Depreciation				
Buildings and Improvements - Right of Use Asset*	-	2,290	-	2,290
Plant and equipment	389	362	389	362
Computer equipment	429	401	429	401
Motor vehicles	16	26	16	26
	834	3,079	834	3,079
Amortisation	391	396	391	396
Total Depreciation and amortisation	1,225	3,475	1,225	3,475

\*The decrease to the Buildings and Improvements - Right of Use Asset is in relation to the derecognition of AASB 16 Leases in June 2022.

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

(e) Finance costs				
Interest expense from lease liabilities	-	81	-	81
Total interest expense	-	81	-	81
	-	81	-	81

### 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

	Consolidated		Statutory Corporation	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(a) Grants without sufficiently specific performance obligations				
Recurrent grants	29,496	29,081	29,496	29,081
Capital grants	682	1,580	682	1,580
Personnel services benefits and liabilities provided free of charge by NSW Crime Commission Staff Agency	-	-	683	445
	<u>30,178</u>	<u>30,661</u>	<u>30,861</u>	<u>31,106</u>

#### 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:

Superannuation - defined benefit	32	36	-	-
Long service leave	649	408	-	-
Payroll tax	2	1	-	-
	<u>683</u>	<u>445</u>	-	-

- (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 2022* (Appropriations Act) appropriates the sum of \$20,533,735,000 to the Attorney General out of the Consolidated Fund for the services of the Department of Communities and Justice for the year 2022-23. 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 *Treasury and Energy Legislation Amendment Act 2022* made some amendments to sections 4.7 and 4.9 of the *Government Sector Finance Act 2018* (the GSF Act). These amendments commenced on 14 November 2022 and are applied retrospectively. As a result, the lead Minister for the Commission, being the Minister for Police and Counter-terrorism, is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time the Commission receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the Commission. These deemed appropriations are taken to have been given for the services of the Department of Communities and Justice.

### 3. Revenue (continued)

In addition, government money that the Commission receives or recovers, from another GSF agency, of a kind prescribed by the regulations that forms part of the Consolidated Fund, is now capable of giving rise to deemed appropriations where the receiving agency has a different lead Minister to the agency making the payment, or one of both of the agencies is a special office (as defined in section 4.7(8)).

On 16 June 2023, the *GSF Amendment (Deemed Appropriations) Regulation 2023* was approved to bring the GSF regulations in line with the above deemed appropriation amendments to the GSF Act.

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 by aggregating the spending authorities of the Minister for Police and Counter-terrorism for the services of the Department of Communities and Justice. It reflects the status at the point in time this disclosure statement is being made. The Commission's pending authority and expenditure is included in the summary of compliance.

The delegation/sub-delegations authorising officers of the Commission to spend Consolidated Fund money impose an overall spending limit of \$31.305m (2022: \$31.336m). Total expenditure incurred is \$31.501m (2022: \$33.198m). The variance of \$0.196m is mainly due to increased depreciation costs.

The State Budget and related Appropriation Bill for the year commencing 01 July 2023 was published on 17 September 2023. Pursuant to section 4.10 of the GSF Act, the Treasurer authorised the payment of specific sums out of the Consolidated Fund to meet the requirements of the period 01 July 2023 to 17 September 2023.

	Consolidated		Statutory Corporation	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(d) Other revenue				
Insurance recoveries - operating expense	102	2,321	102	2,321
Insurance recoveries - capital	4	89	4	89
Other revenue	417	1	417	1
	<u>523</u>	<u>2,411</u>	<u>523</u>	<u>2,411</u>
<b>4. Gain / (Loss) on Disposal</b>				
Written down value of assets sold/scrapped	(12)	(42)	(12)	(42)
Proceeds from disposal	70	-	70	-
Written down value of land sold	(111)	-	(111)	-
	<u>(53)</u>	<u>(42)</u>	<u>(53)</u>	<u>(42)</u>
<b>5. Other Gains / (Losses)</b>				
Impairment gain / (loss) on Right of Use Assets	-	1,488	-	1,488
Derecognition of right-of-use assets and lease liabilities with Property NSW*	-	97	-	97
	<u>-</u>	<u>1,585</u>	<u>-</u>	<u>1,585</u>

\*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.

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

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

	2023	2022
	\$'000	\$'000
Right-of-use asset		
Gross carrying value	-	11,006
Less: accumulated depreciation and accumulated impairment provision	-	(6,426)
Net book value	<u>-</u>	<u>4,580</u>
<b>Amortised balance of incentives received</b>		
Lease liability	<u>-</u>	<u>4,677</u>
<b>Net Gains/(Losses)</b>	<u>-</u>	<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 18

Property, plant and equipment - Note 8

Intangible assets - Note 9

## 6. Current Assets - Cash and Cash Equivalents

	Consolidated		Statutory Corporation	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	1,871	804	1,871	804
	<u>1,871</u>	<u>804</u>	<u>1,871</u>	<u>804</u>

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per Statement of Financial Position)	1,871	804	1,871	804
Closing cash and cash equivalents (per Statement of Cash Flows)	<u>1,871</u>	<u>804</u>	<u>1,871</u>	<u>804</u>

Refer to Note 18 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

## 7. Current Assets - Receivables

Operational expenses to be recouped	40	4	40	4
Other debtors	374	1,063	374	1,063
Prepayments	735	1,228	735	1,228
	<u>1,149</u>	<u>2,295</u>	<u>1,149</u>	<u>2,295</u>

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 18(d).

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

	<u>Consolidated</u>			<u>Statutory Corporation</u>		
	Land and buildings	Plant and equipment	Total	Land and buildings	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 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	111	1,813	1,924	111	1,813	1,924
<b>Year ended 30 June 2022</b>						
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	111	2,654	2,765	111	2,654	2,765
<b>At 1 July 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
<b>Year ended 30 June 2023</b>						
Net carrying amount at beginning of year	111	2,654	2,765	111	2,654	2,765
Additions	-	284	284	-	284	284
Disposals	(111)	(12)	(123)	(111)	(12)	(123)
Depreciation expense	-	(834)	(834)	-	(834)	(834)
Net carrying amount at end of year	-	2,092	2,092	-	2,092	2,092
<b>At 30 June 2023 - fair value</b>						
Gross carrying amount	-	7,265	7,265	-	7,265	7,265
Accumulated depreciation	-	(5,173)	(5,173)	-	(5,173)	(5,173)
Net carrying amount	-	2,092	2,092	-	2,092	2,092

### 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.

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

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*.

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.

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

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. Intangible Assets

	Consolidated	Statutory Corporation
	Total	Total
	\$'000	\$'000
<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>

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

### **At 1 July 2022**

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>

## 9. Intangible Assets (continued)

	Consolidated Total \$'000	Statutory Corporation Total \$'000
<b>Year ended 30 June 2023</b>		
Net carrying amount at start of year	679	679
Additions	403	403
Disposals	-	-
Amortisation (recognised in "depreciation and amortisation")	(391)	(391)
Net carrying amount at end of year	<u>691</u>	<u>691</u>
<b>At 30 June 2023</b>		
Cost (gross carrying amount)	6,437	6,437
Accumulated amortisation and impairment	(5,746)	(5,746)
Net carrying amount	<u>691</u>	<u>691</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.

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.

## 10. Current Liabilities - Payables

	Consolidated		Statutory Corporation	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Accrued salaries, wages and on-costs	755	305	-	-
Creditors	251	693	251	693
Accrued other operating expenses	698	1,213	698	1,213
	<u>1,704</u>	<u>2,211</u>	<u>949</u>	<u>1,906</u>

## 10. Current Liabilities - Payables (continued)

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in Note 18.

### 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.

## 11. Current Liabilities - Provisions

	Consolidated		Statutory Corporation	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Employee benefits and related on-costs</b>				
Provision for personnel services	-	-	2,943	2,556
Annual leave	1,543	1,655	-	-
Long service leave on-costs	587	543	-	-
<b>Total Provisions</b>	<b>2,130</b>	<b>2,198</b>	<b>2,943</b>	<b>2,556</b>
Current annual leave obligations expected to be settled after 12 months	387	580	-	-
Current long service leave obligations expected to be settled after 12 months	528	468	-	-
	<b>915</b>	<b>1,048</b>	-	-

## 12. Non-Current Liabilities - Provisions

<b>Employee benefits and related on-costs</b>				
Long service leave on-costs	58	53	-	-
<b>Total provisions</b>	<b>58</b>	<b>53</b>	-	-
<b>Aggregate employee benefits and related on-costs</b>				
Provisions - current	2,130	2,198	-	-
Provisions - non-current	58	53	-	-
Accrued salaries, wages and on-costs (Note 10)	755	305	-	-
	<b>2,943</b>	<b>2,556</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.

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

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'.

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 Treasurers' 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.

## 13. Equity

### *Accumulated Funds*

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

## 14. 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.

## 14. Contingent Liabilities and Contingent Assets (continued)

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.

## 15. 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 below.

### Net result

Employee related expenditure was \$19.414m against an original budget of \$19.413m, a small overspend of \$0.001m. When compared to the revised budget an overspend of \$0.033m is recorded.

Operating expenditure was \$10.862m against a budget of \$10.967m which resulted in an underspend of \$0.105m.

Depreciation and amortisation costs were \$1.225m against a budget of \$0.925m resulting in an overspend of \$0.300m.

Total revenue was \$31.384m against a budget of \$31.073m, a variance of \$0.311m. This is primarily due to a contribution by NSW Police of \$0.394m towards a co-payment of building improvement costs above the insurance cost recovery for level 1 of 453-463 Kent Street.

The Net Result was less than the year end budget by \$0.062m.

### Assets and liabilities

Total current assets were higher than the budget at year end by \$1.760m. This was a result of excess cash due to scheduled payments in July, outstanding Accounts Receivable (see Note 18 (d)) and prepayments.

Total current liabilities were higher than the budget at year end by \$1.621m. This was a result of employee related accruals, other operating accruals and outstanding payables.

### Cash

The cash flows from operating activities were higher than the budget by \$0.991m, primarily due to other income in relation to the NSW Police contribution and TMF insurance recoveries.

The cash flows from investing activities were lower than the budget by \$0.065m.

The cash flows from financing activities were nil and in line with budget.

## 16. 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net cash used on operating activities	1,684	3,810	1,684	3,810
Depreciation & amortisation	(1,225)	(3,475)	(1,225)	(3,475)
Allowance for impairment	-	1,585	-	1,585
Decrease / (increase) in provisions	63	(34)	(387)	(92)
Increase / (decrease) in prepayments and other assets	(1,146)	1,441	(1,146)	1,441
Decrease / (increase) in payables	507	(1,422)	957	(1,364)
Net gain / (loss) on sale of plant and equipment	(53)	(42)	(53)	(42)
<b>Net result</b>	<b>(170)</b>	<b>1,863</b>	<b>(170)</b>	<b>1,863</b>

## 17. 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 \$95k was being held on behalf of the Commission as at 30 June 2023 (\$93k as at 30 June 2022).

## 18. 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.

## 18. Financial Instruments (continued)

### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	
			2023	2022
<b>Class:</b>			<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	6	N/A	1,871	804
Receivables <sup>1</sup>	7	Amortised Cost	40	4

Financial Liabilities	Note	Category	Carrying Amount	
			2023	2022
<b>Class:</b>			<b>\$'000</b>	<b>\$'000</b>
Payables <sup>2</sup>	10	Financial liabilities measured at amortised cost	1,661	1,779

*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.

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.

## 18. Financial Instruments (continued)

### (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).

#### *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 Treasurers' 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.

The loss allowance for trade receivables as at 30 June 2023 and 30 June 2022 was determined as follows:

	30 June 2023					Total
	Current	< 30 days	30-60 days	61-90 days	> 91 days	
Expected credit loss rate (%)	-	-	-	-	-	-
Estimated total gross carrying	28	-	-	-	13	41
Expected credit loss ('\$000)	-	-	-	-	-	-

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

## 18. Financial Instruments (continued)

### Notes:

The Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2023. 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 (2023: \$28k; 2022: \$3k) and less than 3 months past due (2023: \$0k; 2022: \$0k) are not considered impaired. Together, these represent 68% (2022: 75%) 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.

## 18. Financial Instruments (continued)

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

		\$'000						
		Interest Rate Exposure			Maturity Dates			
	Weighted Average Effective Int. Rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non- interest Bearing	<1 yr	1-5 yrs	>5 yrs
<b>2023</b>								
<i>Payables</i> <sup>1</sup>		1,661	-	-	1,661	1,661	-	-
		1,661	-	-	1,661	1,661	-	-
<b>2022</b>								
<i>Payables</i> <sup>1</sup>		1,779	-	-	1,779	1,779	-	-
		1,779	-	-	1,779	1,779	-	-

#### 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 2022. 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.

## 18. Financial Instruments (continued)

	\$'000				
	Carrying Amount	-1% Profit	Equity	1% Profit	Equity
<b>2023</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	1,871	(19)	(19)	19	19
<b>2022</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	804	(8)	(8)	8	8

### (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.

## 19. Related Party Disclosures

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

	Consolidated	
	2023	2022
	\$'000	\$'000
Total Remuneration	2,055	2,384

The Statutory Corporation received \$2.055m 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.

	Consolidated	
	2023	2022
	\$000	\$000
<b>Income</b>		
NSW Department of Communities and Justice	30,178	30,661
NSW Treasury Managed Fund	106	2,410

## 19. Related Party Disclosures (continued)

	Consolidated	
	2023	2022
	\$000	\$000
<b>Expenditure</b>		
The Audit Office of NSW	51	54
NSW Crown Solicitor's Office	166	189
NSW Treasury Managed Fund	146	129
Property NSW	2,930	2,964
NSW Police Force	434	20

## 20. 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.

