



**New South Wales
Crime Commission**

**Annual Report
2007/08**

New South Wales Crime Commission

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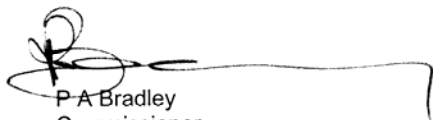
Business Hours: Reception
7:30am to 6:30pm, Monday to Friday

31 October 2008

To the Management Committee of the
New South Wales Crime Commission

I am pleased to submit to you the Commission's annual report and financial statements for the year ended 30 June 2008 for tabling in Parliament. It complies with the provisions of the *New South Wales Crime Commission Act 1985*, the *Annual Reports (Departments) Act 1985*, the *Public Finance and Audit Act 1983* and Government policy.

Yours sincerely,



P A Bradley
Commissioner

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ABBREVIATIONS

ACC	Australian Crime Commission
ACS	Australian Customs Service
AFP	Australian Federal Police
ASIO	Australian Security Intelligence Organisation
ATO	Australian Taxation Office
ATS	Amphetamine-type substances
AUSTRAC	Australian Transaction Reports and Analysis Centre
CAR Act	<i>Criminal Assets Recovery Act 1990</i>
COPOC Act	<i>Confiscation of Proceeds of Crime Act 1989</i>
DPP	Director of Public Prosecutions
ICAC	Independent Commission Against Corruption
ISST	Identity Security Strike Team
JACG	Joint Asian Crime Group
NSWCC	New South Wales Crime Commission
NSWP	New South Wales Police Force
PIC	Police Integrity Commission
SES	Senior Executive Service

COMMISSION MEMBERSHIP

Section 5 of the *New South Wales Crime Commission Act 1985* provides for one Commissioner and, if necessary, one or more Assistant Commissioners. During 2007/08, Mr Phillip Bradley was the Commissioner of the NSW Crime Commission.

During the period 14 July 2007 to 22 July 2007 (inclusive), Terence Peter Griffin was appointed as Acting Commissioner during the absence on leave of the Commissioner.

During the period 18 March 2008 to 1 April 2008 (inclusive), Terence Peter Griffin was appointed as Assistant Commissioner during the absence on leave of the Commissioner.

SENIOR STAFF DURING 2007/08

Director and Solicitor to the Commission

John Giorgiutti (June 1990)

Assistant Director, Financial Investigations

Jonathan Spark, BEc, CPA (September 1997)

Assistant Director, Investigations

Tim O'Connor (June 1999)

Assistant Director, Investigations

Mark Standen (March 1996) (until 2 June 2008)

Assistant Director, Operations Support

Alison Brook, MMgt (October 1993)

PROGRAM OBJECTIVES AND DESCRIPTION

Program objective

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

Program description

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

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

Furnishing reports relating to illegal drug trafficking and organised crime.

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

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

OVERVIEW OF 2007/08

The Commission has two main functional areas. These are set forth in the *New South Wales Crime Commission Act 1985* and the *Criminal Assets Recovery Act 1991*.

Under the former Act, the Commission investigates drug trafficking and organised crime (with a view to the reduction of their incidence) and under the latter Act, it takes proceedings in the Supreme Court for the recovery of proceeds of crime.

The success or failure of the Commission in the discharge of its statutory responsibilities is not readily amenable to measurement. To a large extent, the Commission can only measure *outputs*, which are essentially the quantitative indicators. These may be compared to costs as an indication of productivity. Generally, the costs of the Commission remain stable in real terms and the *outputs* increase incrementally. The *outputs* have limited value as indicators of the impact of the Commission's work – sometimes referred to as *outcomes*.

While the value of confiscation orders must have some impact on defendants, and the funds available for distribution from the *Confiscated Proceeds Account* have an impact on a number of public purposes, the overall impact on criminal activity and the money laundering industry is not capable of measurement. The Commission has confiscated a record amount in the past year. While \$30 million seems a large sum to take out of the hands of criminals in a year, the scale of money laundering and accumulation of proceeds of crime is such that the amount confiscated can only have a slight effect on the black economy.

Similarly the number of arrests is of limited value. Arrests vary in quality – many arrests for minor drug trafficking may have limited impact compared to a single arrest of a major criminal for murder. The arrest results are not due to the action of the Commission alone. The bulk of resources in criminal investigations are contributed by other agencies, in particular, police.

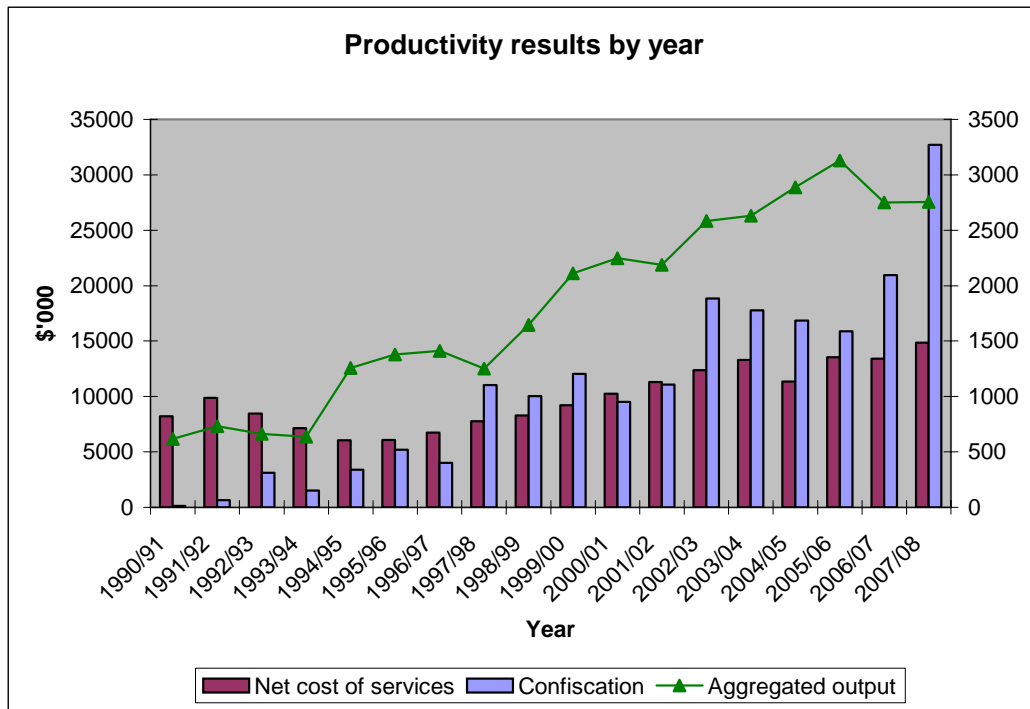
The table below therefore records only *outputs*. It will be noted that the trend is towards increasing output against a stable cost base.

The costs may be summarised as follows:

. Cash spent	\$14,117,000
. Other costs to Government	534,000
Total	\$14,651,000
. Capital cost	\$1,846,000

The Commission continues to work towards improved productivity through collaborative work with State and Federal agencies. This year, one joint investigation led by the AFP culminated in charges being laid against a very senior Commission officer accused of planning the importation of a large quantity of pseudoephedrine. It significantly impacted on the Commission's work throughout the whole year. The matter is currently before the courts.

At the end of the year new legislation was introduced giving the PIC oversight of matters relating to misconduct of Crime Commission staff. The *Police Integrity Commission Amendment (Crime Commission) Act* was assented to on 1 July 2008.



Note: The above chart sets out the Commission's net cost of services, realisable confiscation orders and aggregated output for each year since 1990/91. Aggregated output refers to the incidence of use of the Commission's powers. See also excerpt from the Commission's Results and Services Plan in appendices.

CHAPTER ONE

ESTABLISHMENT AND FUNCTIONS

ESTABLISHMENT

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

LEGISLATION GOVERNING THE COMMISSION

- 1.2 The Commission is constituted under the *New South Wales Crime Commission Act 1985* (as amended) (the Act), which provides for a Commissioner and one or more Assistant Commissioners. During the reporting period, the Commission was constituted by one full-time Commissioner, who has 'special legal qualifications' and is appointed by the Governor.
- 1.3 The *CAR Act* provides for the confiscation of the assets of those involved in serious crime related activity through civil proceedings in the Supreme Court. The Commission has primary responsibility for the administration of the *CAR Act*.

CHARTER

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

FUNCTIONS AND OBJECTIVES

- 1.5 The principal objective of the Commission is to reduce the incidence of illegal drug trafficking. A second objective is to reduce the incidence of organised and other crime.
- 1.6 The principal functions of the Commission are as follows:
- . investigate matters relating to 'relevant criminal activity'
 - . assemble admissible evidence for submission to the Director of Public Prosecutions
 - . review police inquiries
 - . furnish reports relating to illegal drug trafficking and organised crime
 - . disseminate investigatory, technological and analytical expertise

. make applications for the restraint and confiscation of property under the *CAR Act*.

RESPONSIBLE MINISTER

- 1.7 The Minister for Police has responsibility for the Act and the *CAR Act*, and is the Presiding Member of the Commission's Management Committee.

MANAGEMENT COMMITTEE

- 1.8 During 2007/08, the Management Committee comprised the Minister for Police, the Hon D Campbell, MP; the Commissioner of Police, Mr K Moroney, APM (from 1 July 2007 to 31 August 2007) and Mr A Scipione, APM (from 1 September 2007 until 30 June 2008); the Chairman of the Board of the Australian Crime Commission, Mr M Keely, APM; and Mr PA Bradley, Commissioner of the Commission.
- 1.9 The principal functions of the Management Committee are to:
- . refer (by written notice) relevant criminal activities to the Commission for investigation
 - . refer (by written notice) to the Commission, for review, police inquiries into matters relating to any criminal activities
 - . arrange for police task forces to assist the Commission to carry out investigations into matters relating to relevant criminal activities
 - . give directions and furnish guidelines for the purpose of coordinating any such investigations
 - . review and monitor generally the work of the Commission
 - . coordinate (by giving approvals) the operations of the Commission with other bodies.
- 1.10 The Management Committee met on ten occasions during the year.
- 1.11 The meetings were minuted in accordance with the Act.
- 1.12 The Commissioner reports to the Committee in terms of its functions at each meeting.
- 1.13 Between meetings, on an ad hoc basis, the Commissioner informs the Minister and members of significant events.

- 1.14 The Commission reports on its operations annually in accordance with section 31 of the Act. That report is incorporated in this annual report and is transmitted through the Committee to the Minister. Under section 31, the Minister may give directions regarding the manner and time of preparation, but not the content of the report. The Minister is required to lay a copy of the report before each House of Parliament.

MEETINGS

- 1.15 The Commission convenes meetings with the Director and the Assistant Directors, who together form the Management Team. These meetings contribute to the coordinated management of the operational and support areas of the Commission. They are usually held weekly.
- 1.16 There are various other meetings held within the Commission for operational and administrative purposes. These include fortnightly meetings with operational teams, fortnightly meetings with members of joint task forces, weekly or fortnightly meetings with each of the operational teams, monthly meetings with staff from the Information and Communications Technology Team and regular and *ad hoc* meetings with other groups within and outside the organisation.

CHAPTER TWO
INVESTIGATIONS

Personnel from other State or Commonwealth agencies often join the Commission in operations, bringing additional powers and skills to the process.

FUNCTIONS AND POWERS OF THE COMMISSION

- 2.1 Section 6 of the Act requires the Commission to investigate matters relating to relevant criminal activity referred to it by the Management Committee, to assemble admissible evidence of relevant offences and to furnish that evidence to the Director of Public Prosecutions.
- 2.2 The Commission may also review a police inquiry pursuant to a Management Committee Reference and may exercise functions under the CAR Act.
- 2.3 As defined in section 3 of the Act, 'relevant criminal activity' means 'any circumstances implying, or any allegations, that a relevant offence may have been, or may be being, or may be about to be, committed.'
- 2.4 'Relevant offence' is also defined in section 3 of the Act. It includes:
 - . a serious drug offence
 - . a serious offence that involves a serious fraud
 - . any other offence for which the Management Committee is satisfied that the use of the Commission's functions to investigate the offence is in the public interest, and the use of the Commission's functions may be necessary for the investigation.
- 2.5 To perform its function of investigating serious organised crime, the Commission has been given powers that are greater than normal policing powers, including the following:
 - . the power to conduct hearings *in camera* at which witnesses may be compelled to give evidence and produce documents
 - . the power to compel the production of documents and things relevant to an investigation by the Commission
 - . the power to apply for special search warrants.
- 2.6 The services of NSW Police task forces are made available to assist the Commission, pursuant to section 27A of the Act. Members of these task forces have the usual police powers and remain under the command and control of the Commissioner of Police.

MANAGEMENT OF INVESTIGATIONS

- 2.7 Investigations of matters referred to the Commission are usually conducted by teams comprising members of the NSW Police and Commission staff. Frequently staff from agencies such as ACC, AUSTRAC, AFP, ACS, ICAC, and ASIO are involved.
- 2.8 As in previous years, during 2007/08 much of the Commission's investigative work related to drug trafficking, under several ongoing References. This work was undertaken mainly by NSW Police task forces and Commission staff. Other task forces were established to deal with *ad hoc* References on subjects such as murder.
- 2.9 Task force police officers and Commission staff have day-to-day carriage of investigations and report to the Commission through operations meetings. Police in task forces report through, and are supervised within, the NSW Police command structure.
- 2.10 With few exceptions, the results of criminal investigation work are the outcome of joint operations with other agencies, mainly the NSW Police. The Commission's contribution to these operations varies from case to case. The Commission deliberately limits its involvement to matters where it can make the greatest contribution, having regard to its resources and special powers.
- 2.11 Arrangements with police are embodied in 'Directions and Guidelines' issued by the Management Committee. These arrangements are between the Management Committee and the Police Commissioner in accordance with section 27A of the Act.
- 2.12 Central to the arrangement is the maintenance of the command structure within the NSW Police. Section 27(A) specifically provides that the police task forces are 'under the direction and control of the Commissioner of Police' and subject to the 'Directions and Guidelines' of the Management Committee. The Commission seeks to preserve command and control arrangements within each of the agencies with which it acts jointly.

MATTERS REFERRED TO THE COMMISSION

- 2.13 During the year, the Commission was referred six new matters. Nine existing References were revised and reissued.
- 2.14 Arrests resulting from Commission investigations during the year are summarised in this chapter.
- 2.15 The Management Committee is provided with reports on the progress being made in each Reference at each meeting.
- 2.16 For public interest reasons and because of the requirements of the Act that individuals not be named, full details of operational activities are not provided in this report. The following information relates to investigations conducted under References that were active in 2007/08.

ACTIVE REFERENCES

Note: Statistical data relating to investigations conducted during the year are set out in tables in the appendices. Numbers of arrests and charges relating to each Reference are also set out at the end of each of the following paragraphs.

- 2.17 In almost all of the matters referred to it, the Commission worked with NSW task forces established under the Act.

Reference Appin, referred on 19 May 2008

- 2.18 On 19 May 2008, the Management Committee issued the *Appin* Reference to the Commission to investigate international money laundering and tax evasion by specified people and companies. [0 arrests, 0 charges]

Reference Azure VIII, referred on 9 October 2007

- 2.19 The Commission has been investigating drug trafficking and other crimes by persons in the Australian/Lebanese community for many years, under the *Azure* Reference. The Reference has been reissued on several occasions and the range of offences has been widened. Most recently, *Azure VIII* was issued on 9 October 2007. [26 arrests, 112 charges]

Reference Carinda II, referred on 4 June 2008

- 2.20 On 26 July 2004, the Management Committee issued the *Carinda* Reference to the Commission to investigate offences relating to identity fraud and identity theft. The Reference was reviewed on 4 June 2008, and the *Carinda II* Reference was issued on that date.

- 2.21 The Commission works primarily with officers from the Identity Security Strike Team (ISST), which includes the AFP, NSW, ACS, and the ACC. [14 arrests, 171 charges]

Reference Dalgety V, referred on 23 October 2007

- 2.22 On 10 December 2001, the Management Committee issued the *Dalgety* Reference to the Commission to investigate serious drug offences involving heroin, associated money laundering and violent crime. The Reference has been reviewed on several occasions with the most recent *Dalgety V* Reference issued on 23 October 2007. [5 arrests, 9 charges]

Reference Ebenezer V referred on 23 January 2008

- 2.23 On 10 December 2001, the Management Committee issued the *Ebenezer* Reference to the Commission to investigate computer related crime. The Reference has been reviewed on a number of occasions, with the *Ebenezer V* Reference being issued on 23 January 2008.

- 2.24 The Commission works with the NSW in a joint task force in relation to computer crime matters. [10 arrests, 33 charges]

Reference Gecko VII, referred on 4 June 2008

- 2.25 The Commission has been investigating drug trafficking and other crimes by persons in the Australian/South-East Asian communities for many years, under the *Gecko* Reference. The Reference has been reissued on several occasions. Most recently, *Gecko VII* was issued on 4 June 2008.

- 2.26 The Commission continues to work closely with officers from the NSW and the JACG on investigations under this Reference. [76 arrests, 257 charges (including JACG statistics)]

Reference Gladesville IV, referred on 21 November 2005

- 2.27 On 14 October 2002, the Management Committee issued the *Gladesville* Reference to the Commission to investigate the cultivation of cannabis in NSW. The Reference has been reviewed on a number of occasions and on 21 November 2005 the *Gladesville IV* Reference was issued. [18 arrests, 73 charges]

Reference *Gynea VI*, referred on 21 November 2005

- 2.28 On 12 September 1996, the *Gynea* Reference was issued to the Commission to investigate organised crime; drug importation, manufacture and distribution; theft; fraud; gaming; and associated money laundering carried out by nominated criminal groups operating in and around Sydney. The *Gynea* Reference has been reissued on a number of occasions. Most recently, the *Gynea VI* Reference was issued on 21 November 2005. [5 arrests, 7 charges]

Reference *Huntley VIII*, referred on 14 May 2007

- 2.29 On 23 December 2002, the Management Committee issued the *Huntley* Reference to the Commission to investigate matters associated with terrorist acts in NSW. The Reference has been reissued on a number of occasions. Most recently *Huntley VIII* was issued on 14 May 2007.
- 2.30 The Commission works closely with the NSWSP and AFP and other agencies in respect of this matter. [0 arrests, 0 charges]

Reference *Ingleside II*, referred on 21 November 2005

- 2.31 On 24 October 2005 the Management Committee issued the *Ingleside* Reference to the Commission to investigate large-scale outdoor cultivation and supply of cannabis in NSW. The Reference was reviewed on 21 November 2005, and the *Ingleside II* Reference was issued. [26 arrests, 59 charges]

Reference *Kareela II*, referred on 21 November 2005

- 2.32 On 3 March 2003, the Management Committee issued the *Kareela* Reference to the Commission to investigate serious armed robbery offences, as well as offences that may be committed in association with armed robberies. The Reference was reviewed on 21 November 2005, and the *Kareela II* Reference was issued. [4 arrests, 48 charges]

Reference *Kempsey II*, referred on 19 June 2006

- 2.33 On 21 November 2005, the Management Committee issued the *Kempsey* Reference to the Commission to investigate criminal activity by persons in the Australian/Assyrian community. The Reference was reviewed on 19 June 2006, and the *Kempsey II* Reference was issued. [5 arrests, 7 charges]

Reference *Kingsvale VII*, referred on 4 June 2008

- 2.34 On 16 March 1998, the Management Committee issued the *Kingsvale* Reference to the Commission to investigate money laundering. The Reference has been reissued on a number of occasions. Most recently, *Kingsvale VII* was issued on 4 June 2008.
- 2.35 Most other References involving drug trafficking also authorise the Commission to investigate money laundering in relation to the drug trafficking specified in the Reference.
- 2.36 Investigations under this Reference often lead to action under the CAR Act. The value of assets seized arising from investigations under the *Kingsvale VII* Reference in the reporting year was \$1,250,000. [2 arrests, 6 charges]

Reference *Nashua*, referred on 31 July 2006

- 2.37 On 31 July 2006, the Management Committee issued the *Nashua* Reference to the Commission to investigate the murder of Christian Minotte at Mount Prichard on 17 April 2006. [2 arrests, 2 charges]

Reference *Oaklands*, referred on 3 October 2006

- 2.38 On 3 October 2006, the Management Committee issued the *Oaklands* Reference to the Commission to investigate the murder of Terry Falconer in November 2001, the deaths of Albert and Francis Perish in June 1993, and the disappearance and suspected death of Ian Draper in August 2001. [0 arrests, 0 charges]

Reference *Perisher*, referred on 3 October 2006

- 2.39 On 3 October 2006, the Management Committee issued the *Perisher* Reference to the Commission to investigate the attempted murder of a person in Haymarket on 8 October 2002. [0 arrests, 0 charges]

Reference *Putney V*, referred on 31 July 2006

- 2.40 On 9 August 1999, the Management Committee issued the *Putney* Reference to the Commission to investigate firearms trafficking. The Reference has been reviewed a number of times, and on 31 July 2006 the *Putney V* Reference was issued. [9 arrests, 25 charges]

Reference Quambone, referred on 30 April 2007

2.41 On 30 April 2007, the Management Committee issued the *Quambone* Reference to the Commission to investigate the death of Roy Maggs on 30 December 2006. [0 arrests, 0 charges]

Reference Rossmore, referred on 30 April 2007

2.42 On 30 April 2007, the Management Committee issued the *Rossmore* Reference to the Commission to investigate the possible improper influence of a jury and/or court officials relating to a trial conducted in the NSW District Court. [0 arrests, 0 charges]

Reference Seelands, referred on 9 October 2007

2.43 On 9 October 2007, the Management Committee issued the *Seelands* Reference to the Commission to investigate the disappearance and suspected murder of a person on or around 8 October 1998. [0 arrests, 0 charges]

Reference Strathfield III, referred on 21 November 2005

2.44 On 30 July 2003, the Management Committee issued the *Strathfield* Reference to the Commission to investigate large-scale outdoor cannabis cultivation by identities associated with Italian/Australian organised crime. The Reference has been reissued twice, and *Strathfield III* was issued on 21 November 2005. [2 arrests, 4 charges]

Reference Tenterfield, referred on 1 September 2003

2.45 On 1 September 2003, the Management Committee issued the *Tenterfield* Reference to the Commission to investigate the attempted murder of William Metlej on 29 November 2002. [3 arrests, 22 charges]

Reference Tomakin, referred on 9 October 2007

2.46 On 9 October 2007, the Management Committee issued the *Tomakin* Reference to the Commission to investigate the murder of Irene Jones on 2 November 2001. [0 arrests, 0 charges]

Reference Ulong, referred on 4 June 2001

2.47 On 4 June 2001, the Management Committee issued the *Ulong* Reference to the Commission to investigate the murder of Gurkan Moustafa at Gladesville on 15 February 2001. Two arrests have previously been reported in respect of the murder, the second conviction occurring in April 2008. [0 arrests, 0 charges]

Reference Ultimo II, referred on 15 June 2004

2.48 The *Ultimo* Reference was issued to the Commission on 20 October 2003 to investigate serious criminal activity conducted by members of the Australian / Middle-Eastern community within an area in south-western Sydney. *Ultimo II* was issued on 15 June 2004. [19 arrests, 109 charges]

Reference Undercliffe, referred on 9 October 2007

2.49 On 9 October 2007, the Management Committee issued the *Undercliffe* Reference to the Commission to investigate Balkan/Australian organised crime in New South Wales. [1 arrest, 10 charges]

Reference Vacy VIII, referred on 4 June 2008

2.50 The Commission has been investigating the manufacture and supply of amphetamines and psychotropic drugs and associated money laundering offences for many years under the *Vacy* Reference, first issued by the Management Committee on 2 November 1993. The Reference has been reissued on several occasions. Most recently, *Vacy VIII* was issued on 4 June 2009. [94 arrests, 539 charges]

Reference Valentine, referred on 14 November 2003

2.51 On 14 November 2003, the Management Committee issued the *Valentine* Reference to the Commission to investigate 'ram-raids' - break and enter offences on commercial premises using stolen high-performance vehicles. [8 arrests, 63 charges]

Reference Vaucluse, referred on 23 January 2008

2.52 On 23 January 2008, the Management Committee issued the *Vaucluse* Reference to the Commission to investigate the murder of Phillip Brennan at Batemans Bay in May 1990. [0 arrests, 0 charges]

Reference Waratah VIII, referred on 4 June 2008

2.53 The Commission has been investigating the supply of cocaine under the *Waratah* Reference. The Reference has been reissued on several occasions. Most recently, *Waratah VIII* was issued on 4 June 2008. [14 arrests, 32 charges]

Reference Yeoval, referred on 4 June 2008

2.54 On 4 June 2008 the Management Committee issued the *Yeoval* Reference to the Commission to investigate a particular money laundering syndicate. [0 arrests, 0 charges]

Reference Zeehan V, referred on 30 April 2007

2.55 On 3 September 2001, the Management Committee issued the *Zeehan* Reference to the Commission to investigate organised motor vehicle rebirthing and offences involving motor vehicle theft. The Reference has been reissued on a number of occasions. Most recently, *Zeehan V* was issued on 30 April 2007. [9 arrests, 29 charges]

Reference Zetland VIII, referred on 4 June 2008

2.56 The Commission has been investigating the illegal activities of outlaw motorcycle gangs under the *Zetland* Reference, which was issued on 27 September 1994. The Reference has been reissued on several occasions. Most recently, *Zetland VIII* was issued on 4 June 2008. [10 arrests, 113 charges]

INVESTIGATIVE TOOLS

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

New South Wales Crime Commission Act 1985

	Total
2.58 Section 16 summons to appear	159
Section 17 notices to produce	1618
Section 10 notices to government agencies to produce	248

Listening Devices Act 1984

2.59 During 2007/08, 59 warrants, including renewals (maximum 21 days), were granted to the Commission. These figures do not include warrants sought by police working in task forces related to the References.

Telecommunications (Interception and Access) Act 1979

2.60 During 2007/08, the Commission made 672 applications under the *Telecommunications (Interception and Access) Act 1979*. No applications were refused by Administrative Appeals Tribunal members. A total of 672 warrants were issued, comprising 561 original warrants and 111 renewals. During the year 306 arrests arising out of telecommunications interception were made.

Law Enforcement (Controlled Operations) Act 1987

2.61 During 2007/08, 31 controlled operations were approved.

Search warrants

2.62 During 2007/08, no search warrants were issued under the Act.

2.63 No search warrants were issued under section 38(1) of the CAR Act.

2.64 64 property tracking warrants were issued under section 45 of the CAR Act.

2.65 Several warrants were issued under the *Search Warrants Act* to police working on Commission References.

Arrest warrants under section 18AA (non-appearance) of the NSW Crime Commission Act 1985

2.66 No warrants were issued during 2007/08.

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

- 2.67 The Commission approved the establishment of one assumed identity during 2007/08. One assumed identity was revoked.

DISSEMINATION OF INFORMATION

- 2.68 In addition to the normal exchange of information between agencies working with the Commission, information is formally disseminated to other law enforcement agencies and relevant bodies. During 2007/08, the Commission disseminated material relating to a range of suspected criminal activities to other organisations on 303 occasions. The Management Committee approved these disseminations.

- 2.69 Organisations receiving disseminated material included NSWSP, AFP, Australian Crime Commission, Police Integrity Commission, Australian Taxation Office, Queensland Police, Australian Customs Service, Queensland Crime and Misconduct Commission, Victoria Police, US Consulate, NSW DPP, Commonwealth DPP, NSW Crown Solicitor's Office, Centrelink, AUSTRAC, NSW District Court, and a number of private organisations.

PROSECUTIONS

- 2.70 Pursuant to section 31(2)(e) of its Act, the Commission is required to report the extent to which its investigations have resulted in the prosecution of persons for offences. The report must not identify persons suspected of having committed offences or persons who have committed offences, unless those persons have been convicted.
- 2.71 During 2007/08, police assigned to Commission References arrested 362 persons and laid 1,730 charges. These figures can be compared with 445 arrests and 2,482 charges in 2006/07.
- 2.72 The numbers of arrests and charges are a quantitative indication only. Some matters that involve the commitment of large amounts of resources may result in a single charge against a significant offender. Other matters involving multiple offenders/charges may proceed to arrest with relatively little commitment of resources.
- 2.73 Charges laid in 2007/08 and previous years of the Commission's operations are at various stages in the prosecution process.

- 2.74 A table summarising arrests made and charges laid in connection with Commission References in 2007/08 can be found in the appendices.

DRUG TRAFFICKING AND ORGANISED CRIME

- 2.75 The Commission is required to report on patterns and trends in the nature and scope of drug trafficking and organised crime observed during the year.
- 2.76 Whilst the Commission has a number of References touching a wide range of criminal activity, the main focus continues to be drug trafficking and unsolved murders. Of these, drug trafficking consumes the lion's share of resources. Money laundering, identity crime and computer crime are also significant problems, with most of the effort on money laundering being in the area of confiscation. Confiscation of assets remains one of the most effective tools in addressing money laundering. The combination of criminal investigation and civil litigation action is a potent tool in this regard. Most of the funds being laundered and/or confiscated are the proceeds of drug crime.
- 2.77 Drug trafficking remains a very profitable area of criminal activity and Australia remains a significant market for overseas suppliers, mainly because of the profit margins.
- 2.78 The Commission has previously reported on the profit margins available in relation to cocaine where the acquisition price overseas can be 10 percent of the wholesale (kilogram) price in Australia. During the course of the year, the Commission has noted wide fluctuations in the wholesale price of cocaine due mainly to supply factors. At the end of the year, the kilogram price of cocaine was about half of its peak. The wholesale price remains a good indicator of the quantities available in the market. Cocaine has a broad market, constituted by significant numbers of people with regular income and capacity to pay.
- 2.79 Similarly, with the amphetamine-based products and MDMA, the demand remains high and price is affected by supply. In the case of the main amphetamine precursor, pseudoephedrine, the price has escalated from about \$300,000-\$400,000 for a 25 kilogram drum a few years ago, to a price exceeding \$2 million in the current year. This price is significantly reduced if the pseudoephedrine contains a chemical blocker which inhibits its ready conversion to amphetamine.

- 2.80 Pseudoephedrine is increasingly prominent as a prohibited border-controlled drug, with seizures of larger bulk quantities becoming more common. There are a number of factors contributing to this. First, there is the high level of demand for amphetamine-related drugs which are easily produced from pseudoephedrine using other lawfully and readily available chemicals and recipes. Second, pseudoephedrine is produced cheaply overseas and can be applied to lawful purposes such as the treatment of cold and influenza symptoms. Its manufacture and shipment in large quantities may therefore be unremarkable unless there is some diversion to the illicit market. The landed cost in Australia is low, relative to the prices that can be obtained from the sale of bulk pseudoephedrine or refined illicit drugs.
- 2.81 Although interdiction is more sophisticated, seizure levels remain relatively low, as indicated by the availability of prohibited drugs. Rewards are such that criminals are prepared to undertake multiple low-cost shipments on the basis that the success of a very small number of attempted importations will yield substantial profits. This financial equation has caused imported pseudoephedrine to largely replace local methods of obtaining the drugs through diversion of local medicines, which are now more strictly controlled, and diversion from legitimate manufacturers.
- 2.82 Whilst demand and profits remain so high and investment risks remain relatively low, criminals will continue to take the risk of apprehension, prosecution and incarceration.
- 2.83 Attention has been given to sophisticated methods of detection of imported drugs at the ports and those methods have had significant success in terms of detection, seizure and arrests. There has also been more concentration of law enforcement resources at airports and a greater integration of intelligence. However, the porosity of the ports remains an issue and criminal involvement in activity around entry points is a continuing factor. In particular, persons working in baggage and freight handling, stevedoring, transportation and related industries are known to include criminals and persons with criminal connections.
- 2.84 As reported previously, the interdiction of drugs is only one approach. The detection of money laundering, particularly overseas remittances, and the confiscation of assets are other aspects of law enforcement action which can deter this profit-driven activity.
- 2.85 Operations conducted jointly with other agencies have given the Commission a deeper understanding of the quantities of monies generated in Australia from illicit activity, particularly drug trafficking. While interdiction continues to improve in relation to the in-flow of drugs, more needs to be done to increase the risks to perpetrators by affecting the out-flow of capital which is very substantial.
- 2.86 Commonwealth agencies, continue to forge relationships with overseas agencies to this end. New intelligence being gathered on remittance of the proceeds of crime to overseas destinations may cause a revision of the estimates of money laundering within the community.
- 2.87 Not all of the money going off-shore is for the benefit of overseas suppliers. Remitting money through less visible banking systems remains an effective means of laundering for Australian-based offenders. Substantial funds find their way back to Australia in the form of bank accounts and other assets.
- 2.88 A combination of information resources both in Australia and overseas through liaison at national law enforcement levels provided a better appreciation of the level of laundering affecting Australia. The so-called 'money trail' provides an important path to the principals of the predicate offences. Addressing the profits will reduce the attractiveness of these illicit industries. The level of confiscation remains low, relative to the overall level of laundering, and the level of laundering attributed to revenue fraud remains high, relative to other recognised forms of crime.
- LEGAL CHANGE
- 2.89 There have been no significant amendments during the reporting year to the *New South Wales Crime Commission Act 1985*. The only amendment to the *Criminal Assets Recovery Act 1990* has been a minor amendment to the definition of "authorised officer" as it appears in that Act.
- 2.90 At a State level, there have been amendments to various legislation impacting on the Commission's work. These include amendments to the *Crimes Act 1900*, including the insertion of a new offence of supplying explosives; and amendments to the *Drug Misuse and Trafficking Act 1985* (some of which are not yet in force). The *Surveillance Devices Act 2007* was given assent during the reporting year (though it did not commence until 1 August 2008). This Act regulates the installation, use and maintenance of surveillance devices, and provides a warrant scheme relating to it.
- 2.91 On 1 July 2008, assent was given to the *Police Integrity Commission Amendment*

(Crime Commission) Act 2008. This Act (which commenced on the date of assent) provides for the investigation, referral and oversight of matters relating to the misconduct of officers of the Commission by the Police Integrity Commission.

2.92 At the Federal level, there have been various amendments in the area of telecommunications. The *Telecommunications (Interception and Access) Act 2007* provided for a transfer of provisions relating to access to telecommunications data and

telecommunications industry interception obligations from the *Telecommunications Act 1997* to the *Telecommunications (Interception and Access) Act 1979*. The provisions relating to telecommunications data were clarified and consolidated, and the Act now provides for a two-tiered access regime in respect of such data. The *Telecommunications (Interception and Access) Amendment Act 2008* extended the operation of the network protection provisions, and made a number of other technical amendments to the Act.

CHAPTER THREE

CONFISCATION

BACKGROUND

- 3.1 The Commission administers the CAR Act.
- 3.2 There are three principal objects of the CAR Act:
- . to provide for the confiscation, without requiring a conviction, of property of a person if the Supreme Court finds it to be more probable than not that the person has engaged in serious crime related activities
 - . to enable the proceeds of serious crime related activities to be recovered as a debt due to the Crown
 - . to enable law enforcement authorities to effectively identify and recover property.
- 3.3 A serious crime related activity is:
- (i) a serious drug trafficking offence under the *Drug Misuse and Trafficking Act 1985*
 - (ii) an offence punishable by imprisonment for five years or more and involving theft, fraud, obtaining financial benefit from the crime of another, money laundering, extortion, violence, bribery, corruption, harbouring criminals, blackmail, obtaining or offering a secret commission, perverting the course of justice, tax or revenue evasion, illegal gambling, forgery or homicide
 - (iii) certain firearm offences under section 51B of the Firearms Act 1996
 - (iv) a drug premises offence
 - (v) sexual servitude, child prostitution and pornography offences
 - (vi) dishonestly destroying or damaging property (to the value of more than \$500)
 - (vii) an offence under the laws of the Commonwealth or a place outside NSW (including outside Australia) which, if the offence had been committed in the State, would be a serious criminal offence
 - (viii) possession of precursors for the manufacture or production of prohibited drugs

- (ix) an offence of attempting to commit, or of conspiracy or incitement to commit, or of aiding and abetting an offence referred to above.

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

- . restraining orders preventing dealings with the property of persons reasonably suspected of having engaged in serious crime related activity or of persons whose interests in property are reasonably suspected of being property derived from serious crime related activity
- . assets forfeiture orders for the forfeiture of property subject to a restraining order
- . proceeds assessment orders assessing the value of proceeds derived by a person from illegal activities of that person or another person
- . search warrants, production orders and monitoring orders to allow property, documents and information to be obtained, so that property and the sources of that property can be located and identified.

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

RESTRAINING ORDERS

- 3.6 During 2007/08, the Commission obtained 159 restraining orders under the CAR Act, compared with 131 for the previous year. In all cases in which the Commission obtained restraining orders, the Commission filed a summons seeking either an assets forfeiture order or a proceeds assessment order.
- 3.7 2,047 restraining orders have been obtained under the CAR Act since 3 August 1990 as indicated below:

Year	Restraining orders
1990/91	57
1991/92	59
1992/93	24
1993/94	44
1994/95	73
1995/96	95
1996/97	145
1997/98	166
1998/99	101
1999/00	156
2000/01	118
2001/02	159
2002/03	105
2003/04	129
2004/05	171
2005/06	155
2006/07	131
2007/08	159
Total	2047

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

3.9 The restraining orders obtained during 2007/08 followed referrals from the sources set out below:

Referring agency	Orders	Estimated value
NSWPF	110	26,980,338
NSWPF/NSWCC	30	8,001,725
ACC	6	1,410,109
ICAC	5	2,760,961
AFP	3	45,296,591
NSWCC	2	5,270,500
AFP/Qpol	1	285,000
JACG (AFP/NSWP/ACS/ACC/NSWCC)	1	1,250,000
NSWPF/AFP/NSWCC	1	85,500
Total	159	\$91,340,724

ASSETS FORFEITURE ORDERS AND PROCEEDS ASSESSMENT ORDERS

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

3.11 During 2007/08, the Commission completed 75 applications for assets forfeiture orders, usually by way of negotiated settlement without proceeding to a trial of issues. The Commission obtained orders that property having an approximate total value of \$25,866,762 be forfeited to the Crown. The property forfeited included motor vehicles, jewellery, real property, cash and funds held in bank accounts. The most significant single item of property forfeited during the year was the sum of approximately \$11 million in cash.

3.12 During 2007/08, the Commission completed 56 applications for proceeds assessment orders, usually by negotiated settlement, resulting in orders that a total amount of \$3,934,213 be paid to the Treasurer. This total includes an order for \$146,703 that is considered to be irrecoverable.

3.13 The following tables enable a comparison to be made between the results detailed above and those presented in the last seventeen annual reports.

Year	Assets forfeiture orders	Proceeds assessment orders	Total confiscation orders
1990/91	4	1	5
1991/92	18	1	19
1992/93	26	10	36
1993/94	16	2	18
1994/95	33	5	38
1995/96	57	24	81
1996/97	50	17	67
1997/98	128	46	174
1998/99	82	40	122
1999/00	84	31	115
2000/01	70	18	88
2001/02	50	26	76
2002/03	80	44	124
2003/04	64	42	106
2004/05	39	67	106
2005/06	64	59	123
2006/07	68	35	103
2007/08	75	56	131
Total	1008	524	1532

Year	Assets forfeiture orders (realisable amount)	Proceeds assessment orders (realisable amount)	Total realisable Confiscation orders
90/91	118,515	Nil	118,515
91/92	650,000	500	650,500
92/93	2,673,528	450,000	3,123,528
93/94	1,298,000	230,000	1,528,000
94/95	3,031,739	344,900	3,376,639
95/96	3,567,890	1,537,118	5,105,008
96/97	3,193,943	789,402	3,983,345
97/98	7,500,712	2,651,580	10,152,292
98/99	4,681,108	4,704,931	9,386,039
99/00	8,916,853	2,098,446	11,015,299
00/01	7,937,925	807,000	8,744,925
01/02	6,895,958	2,516,009	9,411,967
02/03	12,961,349	3,730,787	16,692,136
03/04	10,015,578	5,189,116	15,204,694
04/05	3,950,146	10,118,597	14,068,743
05/06	5,472,793	7,652,734	13,125,527
06/07	14,182,417	3,582,080	17,764,497
07/08	25,866,752	3,787,510	29,654,262
Total	\$122,915,206	\$50,190,710	\$173,105,916

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

3.15 The following table illustrates the comparison:

Year	Realisable confiscation orders (including legal costs recovered)	Cost of confiscation litigation function
1990/91	118,515	1,630,000
1991/92	650,500	2,320,000
1992/93	3,123,528	2,694,000
1993/94	1,528,000	2,081,000
1994/95	3,376,639	1,641,404
1995/96	5,196,108	1,697,727
1996/97	4,000,345	1,175,802
1997/98	11,025,605	1,613,330
1998/99	10,039,970	2,243,000
1999/00	12,046,483	2,199,923
2000/01	9,515,138	2,141,737
2001/02	11,071,060	2,073,817
2002/03	18,846,681	2,519,706
2003/04	17,770,223	2,945,999
2004/05	16,845,100	2,761,766
2005/06	15,893,022	2,899,694
2006/07	20,968,061	3,193,195
2007/08	32,711,908	3,362,747
Total	\$194,726,886	\$41,194,847

3.16 The sources of referrals for the total amount of realisable confiscation orders, including legal costs recovered for the 2007/08 year, being \$32,711,908 are as follows:

Referring agency	Confiscation and cost orders	Amount
NSWPF/NSWCC	35	20,022,189
NSWPF	87	8,811,877
ACC	7	1,579,649
JACG	4	1,519,495
(AFP/NSWPF/ACS/NSWCC)		
NSWCC	6	693,198
NSWCC/NSWPF/AFP	1	85,500
Total	140	\$32,711,908

3.17 Of the total amount of realisable confiscation orders and costs recovered, 44.1% related to matters involving drug offences and the balance related to offences as follows:

Offence	Amount	%
Money laundering	17,190,123	52.55
Fraud	762,402	2.33
Theft/Receiving	334,630	1.02
Total	\$18,287,155	55.90

3.18 It should be noted that although 52.55% related to matters involving money laundering the vast majority of those matters related to the laundering of proceeds of drug offences.

3.19 The total realisable confiscation orders of \$32,711,908 included four confiscation orders that were made to compensate victims. Two of these orders provided partial compensation to a major bank for losses arising from an armed robbery. Another order was made to compensate the Office of State Revenue for losses arising from a stamp duty fraud. The fourth order was made to compensate for a series of robberies from Railcorp ticket machines. In respect of this matter, the defendant also paid a further amount of \$98,948 not included in the above total, to compensate Railcorp for the damage caused to the ticket machines in the course of the robberies.

3.20 As at 30 June 2008, one application was made to exclude property from an assets forfeiture. This application is to exclude property valued at \$458,000 and relates to an asset forfeiture order made in the 2006/07 year.

3.21 In last year's annual report, it was reported that there were seven outstanding applications for property to be excluded from asset forfeiture orders. Six of these applications were in one set of proceedings and related to forfeited property valued at \$1,623,000. Those six applications were all allowed by consent after the victim's bank, in separate proceedings, received a judgement that it was the beneficial owner of all the

forfeited property, rather than the entities whose interests had been forfeited in the Commission's proceedings.

PRODUCTION ORDERS

- 3.22 Section 33(1) of the CAR Act provides that an authorised officer who has reasonable grounds for suspecting that a person has possession or control of property-tracking documents may apply, *ex parte*, to the Supreme Court for an order against that person requiring that person to produce to the Commission such documents as are in that person's possession or control, or, in the case of bankers' books, to produce all relevant documents for inspection by the Commission.
- 3.23 Production orders are the means by which documents relevant to proceedings commenced by the Commission are obtained, unless the person against whom proceedings have been commenced also falls within the terms of a Commission Reference. During 2007/08, the Commission applied for and obtained 27 production orders. 984 notices to produce pursuant to section 17 of the *NSW Crime Commission Act* and 10 notices pursuant to section 10 of that Act were also issued in respect of confiscation matters that fell within a Commission Reference.

SEARCH WARRANTS

- 3.24 An authorised officer of the Commission, which includes a member of the NSW Police, may apply, in certain circumstances, to an authorised justice for the issue of a warrant pursuant to section 38 of the CAR Act, to search premises for serious crime derived property, illegally acquired property, evidence of a serious crime related activity, evidence of illegal activity of a person reasonably suspected of having been engaged in serious crime related activities and property that is subject to a restraining order.
- 3.25 In 2007/08, no search warrants were issued pursuant to these provisions.
- 3.26 Pursuant to sections 44 and 45 of the CAR Act, an authorised officer of the Commission, which includes a member of the NSW Police, may apply to the Supreme Court for a warrant authorising the search of premises for property-tracking documents.
- 3.27 During 2007/08, the Commission successfully applied for the issue of 64 warrants under these provisions.

MONITORING ORDERS

- 3.28 Section 48 of the CAR Act provides that an authorised officer may make an *ex parte* application to the Supreme Court for a monitoring order. Such orders direct financial institutions to give the Commission financial information obtained by the institution about transactions conducted by a particular person with the institution.
- 3.29 In 2007/08, no monitoring orders were applied for pursuant to these provisions. The fact that no monitoring orders were sought by the Commission is due, in part, to the fact that the Commission made extensive use of section 51 of the CAR Act, which enables financial institutions to provide information to the Commission upon request.

THE DPP OFFICES

- 3.30 The offices of the state and Commonwealth Directors of Public Prosecutions each have a statutory role to play in the area of forfeiture of criminal assets through the *Confiscation of Proceeds of Crime Act 1989* (NSW) (COPOC Act), the *Customs Act 1901* (Cth), the *Proceeds of Crime Act 1987* (Cth), and the *Proceeds of Crime Act 2002* (Cth).
- 3.31 The Commission has maintained its links with both offices and liaises with them in respect of operational and policy matters.

THE COPOC ACT

- 3.32 A regulation pursuant to the COPOC Act empowers the Commission to take proceedings for restraint and forfeiture of tainted property in indictable drug matters under the *Drug Misuse and Trafficking Act*. The purpose of this regulation is to minimise overlap in functions of the NSW Director of Public Prosecutions and the Commission in respect of the forfeiture of the property of persons involved in drug crime.
- 3.33 Each matter referred to the Commission for assessment of confiscation action under the CAR Act is also assessed for confiscation action under the COPOC Act.
- 3.34 During 2007/08, no restraining orders were obtained under the COPOC Act.

AUSTRALIAN TAXATION OFFICE

- 3.35 The Commission continues to refer appropriate matters to the ATO for investigation.
- 3.36 During 1995/96, the Commission and the ATO entered into a memorandum of

understanding that set guidelines for dealing in matters of mutual interest. The Commission maintains good working relations with the ATO.

FINANCIAL INSTITUTIONS

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

3.38 Section 51 of the CAR Act provides:

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

(a) might be relevant to an investigation of a serious criminal activity or the making of a confiscation order, or

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

the institution may give the information to the Commission.

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

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

INTERNATIONAL INQUIRIES

3.41 In an increasing number of matters investigated by the Commission, there has been evidence to suggest the removal of funds offshore and the acquisition of property in foreign jurisdictions. The Commission commenced proceedings during the year that required a coordinated effort between the AFP, the New Zealand Crown Law Office and the Commonwealth Attorney-General's Department to ensure that documents were registered in New Zealand without delay. The Commission acknowledges the effort of these agencies in ensuring that this was done successfully.

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

SUPREME COURT AND DISTRICT COURT

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

3.44 At the end of the year, the number of matters before the Supreme Court was 127.

NSW POLICE FORCE STATE CRIME COMMAND AND OTHER POLICE

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

3.46 During 2007/08, 460 matters were referred to the Commission for assessment of confiscation action under the CAR Act and/or the COPOC Act.

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

Year	Number
1990/91	346
1991/92	637
1992/93	828
1993/94	898
1994/95	832
1995/96	674
1996/97	432
1997/98	381
1998/99	566
1999/00	650
2000/01	531
2001/02	361
2002/03	212
2003/04	76
2004/05	141
2005/06	296
2006/07	531
2007/08	460
Total	8852

PUBLIC TRUSTEE

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

matters where property has been placed in the Trustee's control, property forfeited is recovered.

CONFISCATED PROCEEDS ACCOUNT

- 3.49 Monies realised from the sale of property forfeited under the CAR Act and monies received by the Treasurer pursuant to proceeds assessment orders are credited to an account administered by the Treasurer called the Confiscated Proceeds Account. The proceeds of that account may be applied to administering the CAR Act, victims' compensation, law enforcement, drug rehabilitation and drug education.
- 3.50 A Recovered Assets Pool was created in 2004/05 by direction of the NSW Treasurer, in consultation with the Minister. Sufficient funds are drawn on the Confiscated Proceeds Account to ensure that up to \$2 million is available each year to be allocated to assist in the funding of selected police criminal investigations.

CONFISCATION PROCEEDS SHARING WITH OTHER JURISDICTIONS

- 3.51 During the year the NSW Treasurer approved arrangements for the sharing of proceeds of confiscated assets with other jurisdictions. The sharing arrangement will apply in situations where the proceeds of confiscated assets were derived as a result of operations conducted jointly by NSW agencies and agencies in other Australian jurisdictions. The amount payable to the jurisdiction will be commensurate with the relative proportion of resources applied by the jurisdiction.

TRAINING

- 3.52 There is a continuing need for law enforcement to improve its ability to identify, locate and recover laundered proceeds of crime and assets in both local and foreign jurisdictions. The Commission has gained significant experience and skills in those areas since the commencement of the CAR Act.
- 3.53 During the year officers from the Financial Investigations Team gave presentations to NSWP and participated in seminars conducted in-house.

CHAPTER FOUR

GENERAL MANAGEMENT

- 4.1 Mr Phillip Bradley is the Commissioner and the sole Member of the Commission. He is also the Chief Executive Officer.
- 4.2 Mr John Giorgiutti is the Director of the Commission and Solicitor to the Commission.
- 4.3 The Commission is divided into several operational teams. Each team is headed by an Assistant Director.
- 4.4 The Commissioner, Director and Assistant Directors constitute the Management Team, which is responsible for the Commission's strategic planning and for the achievement of its aims and objectives.
- 4.5 The structure of the organisation can be found in the appendices.

ADMINISTRATIVE OFFICE

- 4.6 The Commission's address, telephone number, facsimile number and DX address, web site and business hours of its office are recorded on the inside front cover of this report.

STAFFING

- 4.7 At the end of the reporting year, the number of permanent staff employed by the Commission was 107. The categories of staff comprising the establishment are tabulated below. Staffing levels of the previous three years is included for comparison.

	07/08	06/07	05/06	04/05
Statutory officers	1	1	1	1
SES	0	0	0	0
PSM Act	6	7	7	8
Direct employees	102	102	97	98
Total	109	110	105	107

Additionally, the Commission employs a fluctuating number of casual staff.

SENIOR EXECUTIVE SERVICE POSITIONS

- 4.8 During the reporting year, there were no officers employed as Senior Executives under the *Public Sector Employment and Management Act 2002*.

- 4.9 At 30 June 2008, the Management Team included the following:

- . Director and Solicitor to the Commission
- . Assistant Director, Investigations
- . Assistant Director, Financial Investigations
- . Assistant Director, Operations Support.

- 4.10 Each of these officers is employed pursuant to a contract of employment that provides for review on an annual basis. These contracts do not provide for levels, as SES contracts do. The terms of the contracts are expressly confidential. In those cases where performance review was tied to salary, each officer's performance was assessed and incremental adjustment to remuneration was made.
- 4.11 A summary of responsibilities can be found in the appendices.
- 4.12 The Commissioner is not part of the Chief Executive Service. His appointment is pursuant to the Act. Remuneration is set by the Statutory and Other Offices Remuneration Tribunal. As an independent statutory officeholder, he is not subject to formal performance appraisal. His remuneration package was set by the tribunal in October 2007 at \$377,730.

EQUAL EMPLOYMENT OPPORTUNITY

- 4.13 The Commission's Equal Employment Opportunity (EEO) statistics for 2007/08 have been completed in the context of the NSW Department of Premier and Cabinet's annual workforce survey.
- 4.14 The Commission works with the NSW Department of Premier and Cabinet to develop strategies to enhance employment equity.
- 4.15 The following tables contain EEO statistics for 2007/08. Comparative data from past years can be found in previous annual reports of the Commission.
- 4.16 Representation and recruitment of EEO target groups (Aboriginal or Torres Strait Islanders (ATSI), people with a physical disability, people from a racial, ethnic or religious minority (REMG), and women):

Target group	Total staff 2007/08	Recruited 2007/08
All	109	11
ATSI	0 (0%)	0
Disabled	5 (4%)	0
REMG	32 (29%)	4 (36%)
Women	56 (51%)	4 (36%)

4.17 Representation of EEO target groups by level in 2007/08 (for the purpose of this table, staff are given public service equivalent grades depending upon salary):

Grade	Total staff	Women	REMG
Above Grade 12	17	5 (30%)	4 (24%)
Grades 10 – 12	17	6 (35%)	5 (30%)
Grades 6 – 9	20	12 (60%)	5 (25%)
Grades 3 – 5	37	23 (62%)	12 (32%)
Grades 1 – 2	9	4 (45%)	2 (22%)
CO1 – Grade 1	5	4 (80%)	4 (80%)
Below CO1	4	2 (50%)	0 (0%)
Total	109	56 (51%)	32 (29%)

4.18 During the year the Commission recruited 1 trainee. A total of 25 trainees have been recruited over the past eight years under the government's trainee scheme. This program has been successful and the Commission plans to recruit more trainee officers in 2008/09.

STAFF TRAINING

4.19 The Commission continued its successful program of information seminars for staff during the year. The sessions are available to all staff and cover a wide variety of topics related to law enforcement and public sector employment. The sessions were attended by a large proportion of staff.

4.20 Several staff attended external courses for a range of purposes during the year.

4.21 A number of staff undertake tertiary courses relevant to their work, out of normal office hours, and take advantage of the Commission's study leave provisions throughout each academic year.

NSW GOVERNMENT ACTION PLAN FOR WOMEN

4.22 The NSW Government policy adopts principles of access, equity, rights and participation of women in the life and business of the State.

4.23 The Commission recognises the role it plays in the promotion of the policy. 51% of the Commission's staff is female, and there is female representation at the senior executive level.

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

CODE OF CONDUCT / ETHICS

4.25 The Commission has a code of conduct for all staff and an additional code for senior officers. All staff have signed undertakings to comply with the code(s).

4.26 The Commission reviewed its code for staff during the year, ethics awareness training sessions were held for all staff.

OVERSEAS VISITS

4.27 No overseas travel was undertaken by Commission staff during the year.

OCCUPATIONAL HEALTH AND SAFETY

4.28 During the year, the Commission's staff representative and its OH&S officer jointly conducted OH&S audits. Matters identified as posing safety risks were rectified.

4.29 During 2007/08, the Commission made two new claims for workers' compensation resulting in a loss of 1 working day.

THE ENVIRONMENT

4.30 The Commission is conscious of the impact of its operations on the environment and regularly reviews its waste and recycling policies, energy and water consumption and purchasing practices.

4.31 The Commission purchases 50% of its electricity from renewable energy sources.

4.32 Recycling remains high on the Commission's environment priorities, and awareness campaigns are regularly undertaken to promote staff awareness.

ELECTRONIC INFORMATION MANAGEMENT

4.33 The Commission has a substantial investment in information and communications technology (ICT). This includes internal information processing, access to external databases online, and delivery systems for electronic surveillance. The total investment in ICT is in excess of \$12 million, with new acquisitions and upgrades occurring each year. Most ICT equipment has a limited useful life and depreciation rates are high. The Commission now has eleven staff dedicated to the ICT function and has continuing alliances with other agencies for the economic gathering and delivery of telephone interception product.

- 4.34 During the course of the year the Commission continued development of the electronic monitoring interface and the consolidation of electronic intelligence systems into a single access point.
- 4.35 The Commission has also addressed in-house solutions for other forms of electronic monitoring and will incorporate this with the single interface approach for greater efficiency.

ICT SECURITY

- 4.36 Security of the Commission's networks was reviewed and upgraded during the year as a result of new systems implemented in the Finance area.

INTERNAL AUDIT

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

RESEARCH AND DEVELOPMENT

- 4.38 The Commission did not conduct any research and development work (as defined by Australian Accounting Standard AAS513) during 2007/08.

CONSULTANTS

- 4.39 Eight consultants were retained during 2007/08 to provide advice to the Commission's ICT staff and finance staff on software upgrades. The total cost of the consultancies was \$6,271.00.

SERVICES TO THE PUBLIC

- 4.40 By reason of its statutory aims, objectives, functions and operational activities, the Commission does not provide services direct to the public, although members of the public often contact the Commission directly to provide information. Investigations are sometimes launched on the basis of such information.
- 4.41 Consequently, the Commission does not usually receive complaints or consumer suggestions. It is not possible, therefore, for the Commission to report on services improved or changed as a result of such complaints or suggestions, as required by the legislation. For the same reasons, the

Commission has not developed standard times for providing services, with the exception of payment of accounts.

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

FREEDOM OF INFORMATION

- 4.43 The Commission received one request for information under the *Freedom of Information Act 1989* (NSW) during 2007/08.
- 4.44 The Commission has an exemption under the Act in respect of investigative and reporting functions.
- 4.45 Requests under the Freedom of Information Act for access to documents (other than those relating to its investigative and reporting functions) in the possession of the Commission should be directed in writing to the Commissioner.
- 4.46 Inquiries concerning fees and procedures for inspecting or obtaining Commission documents, including 'Statements of Affairs', should be made to the Assistant Director, Operations Support, between the hours of 9.00 am and 5.00 pm, Monday to Friday.

PUBLICATIONS

- 4.47 Commission annual reports are available to the public after tabling in Parliament. Reports of the years 1993/94 to 2007/08 are available electronically on the Commission's website.

PRIVACY

- 4.48 The Commission continues to comply with the Privacy Management Plan.
- 4.49 The Commission is unaware of any breaches or alleged breaches of that plan or the *Privacy and Personal Information Act 1998*.
- 4.50 Complaints and internal reviews under the Act:
- | | |
|--|---|
| Complaints made against the Commission | 0 |
| Internal reviews conducted by the Commission | 0 |
| Internal reviews conducted by the Privacy Commission | 0 |
| Internal reviews conducted by the Administrative Decisions Tribunal and its appeal panel | 0 |

ETHNIC AFFAIRS PRIORITIES REPORT

- 4.51 The Commission endorses the Government's principles of multiculturalism, and is committed to their implementation within its workplace and operational activities.
- 4.52 The Commission's Management Team has agreed on a management plan in accordance with the principles set out in the *Community Relations Commission and Principles of Multiculturalism Act 2000*.
- 4.53 The Commission provides interpreters whenever they are required during its formal and informal interaction with people from non-English speaking backgrounds.
- 4.54 The Commission employs a number of specialist linguists on its staff.
- 4.55 The Commission employs staff whose role it is to advise on cultural issues.
- 4.56 The Commission conducts awareness training on cultural issues for its staff and police with whom the Commission works.

ACCOUNT PAYMENT PERFORMANCE

Qtr	Current	<30 days over-due	30-60 days over-due	60-90 days over-due	>90 days over-due
09/07	\$340,333	\$0	\$0	\$0	-\$13
12/07	\$325,038	\$169	\$0	\$0	-\$13
03/08	\$418,563	\$0	\$0	\$0	-\$13
06/08	\$451,536	\$0	\$0	\$0	-\$13

Qtr	Total accounts paid on time			Total paid
	Target %	Actual %	\$	\$
09/07	85.0	99.93	2,962,946	2,964,974
12/07	85.0	100.00	2,769,669	2,769,798
03/08	85.0	100.00	2,710,400	2,710,497
06/08	85.0	100.00	3,892,116	3,892,077

STORES AND EQUIPMENT

- 4.57 The following table shows expenditure on stores and stationery, information technology equipment, furniture and office equipment.

	Expenditure
Stores and Stationery	\$77,193
Office equipment	8,592
Office furniture	760
Computer consumables	23,826
Info technology equipment	36,532
Total	\$146,903

VALUE OF STAFF LEAVE

- 4.58 The values of accrued annual leave, including applicable leave loading and on-costs, and extended leave at 30 June 2008 were \$823,168 and \$2,448,710 respectively. The Crown has assumed \$2,245,012 of the extended leave liability on behalf of the Commission.
- 4.59 Both of these amounts were calculated in accordance with AAS30 'Accounting for employee leave entitlements', using the present value method for extended leave.

MAJOR ASSETS PURCHASED

- 4.60 The Commission acquired the following assets during 2007/08:

Asset	Value
Building refurbishment	\$157,207
PCs/Printers	293,326
Servers	128,198
Computer software	455,858
Other IT equipment	159,700
Surveillance equipment	9,830
Other plant & equipment	14,315
Motor vehicles	76,400
Other surveillance	285,182
Lift upgrade	309,400
	\$1,889,416

REAL PROPERTY

- 4.61 The Commission owns two pieces of real estate in NSW.
- 4.62 In 1993/94 the Commission acquired premises at 453 Kent Street Sydney for \$5.7 million. During 2006/07 the premises were independently revalued at \$13.5 million. This was further reviewed in 2007/08 with a new valuation at \$14.5 million, representing fair market value at 30 April 2008.

4.63 The Commission also acquired additional office space in 2002/03 at a cost of \$2.6 million. During 2006/07 those premises were independently revalued at \$3.25 million. This was further reviewed in 2007/08 with same value of \$3.25 million representing fair market value at 30 April 2008.

4.64 The cost of refurbishments in 2007/08 totalled \$157,207.

INSURANCE

4.65 The Commission insures against a range of risks, including workers' compensation, damage caused by and to motor vehicles, property damage and public liability, through the New South Wales Treasury Managed Fund. In 2007/08, the Commission made fourteen claims (compared to ten in 2006/07). All these claims related to motor vehicles (nine in 2006/07).

RISK MANAGEMENT

4.66 The Commission has a risk management policy, a disaster recovery plan and a business continuity plan.

4.67 Consideration has been given to various risks, such as:

- . physical and psychological injury to personnel;
- . insurable losses;
- . information leaks;
- . loss of information and exhibits (including electronic information);
- . corruption, misconduct or fraud;
- . loss of theft or money;
- . loss of credibility;
- . loss of personnel.

4.68 Each of these risks can impact on the ability of the Commission to achieve its objectives.

4.69 The Commission's management of risk will be the subject of external review in 2008/09.

GRANTS TO COMMUNITY ORGANISATIONS

4.70 The Commission did not provide any grants to community organisations in 2007/08.

CONTRACTING AND MARKET TESTING

4.71 The Commission has formed the view that the functions it market-tested in previous years could be performed more efficiently and cost-effectively by a balance between Commission staff and external contractors. A significant factor in these decisions is the need to preserve security.

CREDIT CARDS

4.72 The Commission has two corporate credit cards with Westpac, each with an approved credit limit. In accordance with Treasury Best Practice Guidelines, the Commission has a credit card policy, governing use of the cards.

4.73 Quarterly credit card compliance surveys are submitted to NSW Treasury documenting frequency and amounts of transactions, lost or stolen cards, fraud and misuse and details of any cash advances.

4.74 In accordance with the Commission's internal policy, no cash advances were made during the year from the credit card account.

COST OF ANNUAL REPORT

4.75 There were no consultants retained for any aspect of the preparation of the Commission's Annual Report. Printing costs totalled \$1034.43, excluding GST. Each year's report is published on the Commission's website.

FINANCIAL STATEMENTS

4.76 Audited statements for 2007/08 can be found in the appendices.

**NEW SOUTH WALES CRIME COMMISSION
CONSOLIDATED
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

New South Wales Crime Commission

**Financial Report for the
year ended 30 June 2008**

STATEMENT BY COMMISSIONER

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

- (a) The accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Financial Reporting Code for Budget Dependent General Government Sector Agencies*, the *Public Finance and Audit Regulation 2005*, the *Treasurer's Directions* and applicable Australian Accounting Standards (which include Australian Accounting Interpretations).
- (b) The statements present a true and fair view of the financial position as at 30 June 2008 and transactions of the Commission for the year then ended.
- (c) There are no circumstances that would render any particulars included in the Financial Statements misleading or inaccurate.



PA Bradley
Commissioner



Katie Bourne
Chief Finance Officer

Dated: 24 October 2008



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

New South Wales Crime Commission and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the New South Wales Crime Commission (the Commission), which comprises the balance sheet as at 30 June 2008, the operating statement, statement of recognised income and expense, cash flow statement, and summary of compliance with financial directives for the year then ended, a summary of significant accounting policies and other explanatory notes for both 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.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Commission and the consolidated entity as at 30 June 2008, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Commissioner's Responsibility for the Financial Report

The Commissioner is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Commission or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically,
- about the effectiveness of their internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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



Peter Carr
Director, Financial Audit Services

24 October 2008
SYDNEY

NEW SOUTH WALES CRIME COMMISSION
Operating Statement for the Year Ended 30 June 2008

	Notes	Actual 2008 \$'000	<u>Consolidated</u>		<u>Statutory Corporation</u>	
			Budget 2008 \$'000	Actual 2007 \$'000	Actual 2008 \$'000	Actual 2007 \$'000
Expenses excluding losses						
Operating expenses						
Employee related	2(a)	11,799	11,397	11,000	-	-
Other operating expenses	2(b)	3,503	3,940	3,892	3,503	3,892
Personnel services	2(c)	-	-	-	11,265	10,527
Depreciation and amortisation	2(d)	1,665	1,430	1,376	1,665	1,376
Other expenses	2(e)	708	421	409	708	409
Total expenses excluding losses		17,675	17,188	16,677	17,141	16,204
Revenue						
Investment revenue	3(a)	104	83	47	104	47
Other revenue	3(b)	3,017	3,000	3,223	3,017	3,223
Total revenue		3,121	3,083	3,270	3,121	3,270
Loss on disposal	4	(28)	(40)	(9)	(28)	(9)
Net Cost of Services	23	14,582	14,145	13,416	14,048	12,943
Government Contributions						
Recurrent appropriation	5	12,271	12,271	12,149	12,271	12,149
Capital appropriation	5	1,846	1,561	717	1,846	717
Acceptance by the Crown Entity of employee benefits and other liabilities	6	534	-	473		-
Total Government Contributions		14,651	13,832	13,339	14,117	12,866
SURPLUS / (DEFICIT) FOR THE YEAR		69	(313)	(77)	69	(77)

The accompanying notes form part of these financial statements.

NEW SOUTH WALES CRIME COMMISSION
Statement of Recognised Income and Expense for the Year Ended 30 June 2008

	Notes	<u>Consolidated</u>		<u>Statutory Corporation</u>		
		Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000	Actual 2008 \$'000	Actual 2007 \$'000
Net increase in property, plant and equipment asset revaluation reserve		1,262	-	3,473	1,262	3,473
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		<u>1,262</u>	<u>-</u>	<u>3,473</u>	<u>1,262</u>	<u>3,473</u>
Surplus/(Deficit) for the year		<u>69</u>	<u>(313)</u>	<u>(77)</u>	<u>69</u>	<u>(77)</u>
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR	20	<u>1,331</u>	<u>(313)</u>	<u>3,396</u>	<u>1,331</u>	<u>3,396</u>

The accompanying notes form part of these financial statements.

NEW SOUTH WALES CRIME COMMISSION
Balance Sheet as at 30 June 2008

	Notes	<u>Consolidated</u>			<u>Statutory Corporation</u>	
		Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000	Actual 2008 \$'000	Actual 2007 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents	8	227	1,069	1,419	227	1,419
Receivables	9	3,312	2,656	2,736	2,972	2,437
Other		-	120	-	-	-
Total Current Assets		<u>3,539</u>	<u>3,845</u>	<u>4,155</u>	<u>3,199</u>	<u>3,856</u>
Non-Current Assets						
Receivables	10	121	249	89	-	-
Property, plant and equipment	11					
- Land and Buildings		17,633	16,758	16,750	17,633	16,750
- Plant & Equipment		4,010	4,773	3,332	4,010	3,332
- Capital work in progress	13	-	-	344	-	344
Intangible assets	12	48	290	181	48	181
Total Non-Current Assets		<u>21,812</u>	<u>22,070</u>	<u>20,696</u>	<u>21,691</u>	<u>20,607</u>
Total Assets		<u>25,351</u>	<u>25,915</u>	<u>24,851</u>	<u>24,890</u>	<u>24,463</u>
LIABILITIES						
Current Liabilities						
Payables	14	611	910	924	553	897
Borrowings	15	340	299	299	-	-
Provisions	16	931	906	893	1,084	1,020
Other	17	-	624	624	-	624
Total Current Liabilities		<u>1,882</u>	<u>2,739</u>	<u>2,740</u>	<u>1,637</u>	<u>2,541</u>
Non-Current Liabilities						
Provisions	18	95	100	100	-	-
Borrowings	19	121	89	89	-	-
Total Non-Current Liabilities		<u>216</u>	<u>189</u>	<u>189</u>	<u>-</u>	<u>-</u>
Total Liabilities		<u>2,098</u>	<u>2,928</u>	<u>2,929</u>	<u>1,637</u>	<u>2,541</u>
Net Assets		<u>23,253</u>	<u>22,987</u>	<u>21,922</u>	<u>23,253</u>	<u>21,922</u>
EQUITY						
Reserves	20	12,048	10,786	10,786	12,048	10,786
Accumulated funds		11,205	12,201	11,136	11,205	11,136
Total Equity		<u>23,253</u>	<u>22,987</u>	<u>21,922</u>	<u>23,253</u>	<u>21,922</u>

The accompanying notes form part of these financial statements.

NEW SOUTH WALES CRIME COMMISSION
Cash Flow Statement for the Year Ended 30 June 2008

Note:	Actual 2008 \$'000	<u>Consolidated</u> Budget 2008 \$'000	Actual 2007 \$'000	<u>Statutory Corporation</u> Actual 2008 \$'000	Actual 2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee related	(11,201)	(11,119)	(10,394)	(11,201)	(10,394)
Finance costs	-	-	-	-	-
Other	(5,102)	(4,745)	(4,481)	(5,102)	(4,481)
Total Payments	<u>(16,303)</u>	<u>(15,864)</u>	<u>(14,875)</u>	<u>(16,303)</u>	<u>(14,875)</u>
Receipts					
Other	3,052	3,295	3,286	3,052	3,286
Interest received	81	31	41	81	41
Total Receipts	<u>3,133</u>	<u>3,326</u>	<u>3,327</u>	<u>3,133</u>	<u>3,327</u>
Cash Flows From Government					
Recurrent appropriation	12,271	12,271	12,149	12,271	12,149
Capital appropriation	1,846	1,561	1,341	1,846	1,341
Cash reimbursements from the Crown Entity	-	-	-	-	-
Cash transfers to Consolidated Fund	(624)	-	-	(624)	-
Net Cash Flows From Government	<u>13,493</u>	<u>13,832</u>	<u>13,490</u>	<u>13,493</u>	<u>13,490</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	23 <u>323</u>	<u>1,294</u>	<u>1,942</u>	<u>323</u>	<u>1,942</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of plant and equipment	79	-	-	79	-
Purchases of land and buildings and plant and equipment	(1,198)	(1,461)	(613)	(1,198)	(613)
Other	(7)	(100)	(100)	(7)	(100)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(1,126)</u>	<u>(1,561)</u>	<u>(713)</u>	<u>(1,126)</u>	<u>(713)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments of borrowings and advances	(389)	-	(347)	(389)	(347)
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>(389)</u>	<u>-</u>	<u>(347)</u>	<u>(389)</u>	<u>(347)</u>
NET INCREASE/(DECREASE) IN CASH	(1,192)	(267)	882	(1,192)	882
Opening cash and cash equivalents	1,419	794	537	1,419	537
CLOSING CASH AND CASH EQUIVALENTS	8 <u>227</u>	<u>527</u>	<u>1,419</u>	<u>227</u>	<u>1,419</u>

The accompanying notes form part of these statements.

NEW SOUTH WALES CRIME COMMISSION
Summary of Compliance with Financial Directives

	2008				2007			
	RECURRENT APP'N	EXPENDITURE ON NET CLAIM / ON CONSOLIDATED FUND	CAPITAL APP'N	EXPENDITURE ON NET CLAIM / ON CONSOLIDATED FUND	RECURRENT APP'N	EXPENDITURE ON NET CLAIM / ON CONSOLIDATED FUND	CAPITAL APP'N	EXPENDITURE ON NET CLAIM / ON CONSOLIDATED FUND
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE								
• Appropriation Act	12,271	12,271	1,561	1,222	12,194	12,149	2,561	717
• Additional Appropriations	-	-	-	-	-	-	-	-
	<u>12,271</u>	<u>12,271</u>	<u>1,561</u>	<u>1,222</u>	<u>12,194</u>	<u>12,149</u>	<u>2,561</u>	<u>717</u>
OTHER APPROPRIATIONS / EXPENDITURE								
• Treasurer's Advance	-	-	624	624	-	-	-	-
• Transfers to / from another agency (s32 of the Appropriation Act)	-	-	(300)	-	(45)	-	(220)	-
	<u>-</u>	<u>-</u>	<u>324</u>	<u>1,846</u>	<u>(45)</u>	<u>12,149</u>	<u>(220)</u>	<u>-</u>
Total appropriations / Expenditure / Net claim on Consolidated Fund (includes transfer payments)	12,271	12,271	1,885	1,846	12,149	12,149	2,341	717
Amount drawn down against appropriation	12,271	12,271	1,885	1,846		12,149		1,341
Liability to Consolidated Fund*		-		-		-		624

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed),

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The New South Wales Crime Commission, as a reporting entity, comprises all the entities under its control, namely: The Office of the New South Wales Crime Commission and the New South Wales Crime Commission Division (created on 17 March 2006).

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

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

This consolidated financial report for the year ended 30 June 2008 has been authorised for issue by the Commissioner on 24 October 2008.

(b) Basis of preparation

The Commission's financial report is a general-purpose financial report which has been prepared in accordance with:

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

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

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

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

(c) Statement of compliance

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

(d) Administered Activities

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

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

(e) Income recognition

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

(i) Parliamentary appropriations and contributions

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

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

(ii) Professional costs recovered

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

(iii) Investment income

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

(f) *Employee benefits and other Provisions*

As a result of the amendments to the Public Sector Employment and Management Act 2002, the New South Wales Crime Commission Division and the Office of the New South Wales Crime Commission are responsible for employees and employee-related liabilities of the New South Wales Crime Commission.

(i) *Salaries and wages, annual leave, sick leave and on-costs*

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

The Commission measures long-term annual leave at nominal value, rather than at present value as the financial impact of discounting on the portion of the long-term leave is not material.

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.

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

(ii) *Long service leave and superannuation*

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

Long service leave is measured on a present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 07/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

Long service leave on-costs are not assumed by the Crown Entity and are the responsibility of the Commission except for the related on-costs and annual leave accruing while on long service leave.

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

(g) *Borrowing costs*

Borrowing costs are recognised as expenses in the period in which they are incurred in accordance with Treasury's mandate to general government sector agencies.

(h) *Insurance*

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

(i) *Accounting for the Goods and Services Tax (GST)*

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

* the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

* receivables and payables are stated with the amount of GST included.

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

(j) *Acquisitions of assets*

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the agency. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

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

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

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

(k) *Capitalisation Thresholds*

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.

(l) *Revaluation of Property, Plant and Equipment*

Physical non-current assets are valued in accordance with the 'Guidelines for the Valuation of Physical Non-Current Assets at Fair Value' (TPP 07-01). This policy adopts fair value in accordance with AASB 116 *Property, Plant & Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Commission revalues each class of property, plant and equipment at least every 5 years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. A desktop revaluation was performed on 30 April 2008 based on an independent assessment. The last full revaluation was performed at 30 June 2005 was based on independent assessment.

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

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

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

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

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

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

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

(m) *Impairment of Property, Plant & Equipment*

As a not-for-profit entity with no cash generating units, the Commission is effectively exempted from AASB 136 *Impairment of Assets and impairment testing*. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(n) *Depreciation of property, plant & equipment*

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Commission.

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

Land is not a depreciable asset. The rates of depreciation applied to relevant categories of assets are set out in the following table and are consistent with those used in 2006/07.

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

(o) *Maintenance and repairs*

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

(p) *Leased assets*

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

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

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

(q) *Intangible Assets*

The Commission recognises intangible assets only if it is probable that future economic benefits will flow to the agency 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 at the date of acquisition.

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

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

The Commission's intangible assets are amortised using the straight-line method over a period of 3 years (for computer software).

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.

(r) *Loans and Receivables*

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

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Bad debts are written off as incurred.

(s) *Other Assets*

Other assets are recognised on a cost basis.

(t) *Payables*

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

(u) *Borrowings*

The finance lease liability is determined in accordance with AAS 17 "Leases".

(v) *Budgeted amounts*

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

The budgeted amounts in the Operating Statement and the Cash Flow Statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Balance Sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts, i.e. per the audited financial statements (rather than carried forward estimates).

(w) *New Australian Accounting Standards issued but not yet effective*

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

- AASB 2007-2 *Amendments to Australian Accounting Standards arising from AASB Interpretation 12;*
- AASB 1049 *Whole of Government and General Government Sector Financial Reporting*
- AASB 2007-9 *Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31*
- AASB 101-*Presentation of Financial Statements*
- AASB 123 *Borrowing Costs*
- AASB 1050 *Administered Items*
- AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8*
- AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123*
- AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*
- AASB 127 *Consolidated and Separate Financial Statements*
- AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127*

While the impact of these standards in the period of initial application has not been specifically quantified, they are not expected to materially impact the financial report.

2. EXPENSES EXCLUDING LOSSES

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
(a) Employee related expenses				
Salaries and wages (including recreation leave)	9,578	9,050	-	-
Superannuation – defined benefit plans	657	122	-	-
Superannuation – defined contribution plans	152	612	-	-
Long service leave	399	358	-	-
Workers' compensation insurance	99	79	-	-
Payroll tax and fringe benefit tax	659	606	-	-
Other	255	173	-	-
	<u>11,799</u>	<u>11,000</u>	<u>-</u>	<u>-</u>
(b) Other operating expenses				
Auditor's remuneration – audit or review of the financial reports	33	26	33	26
Bad and doubtful debts	20	-	20	-
Insurance	60	29	60	29
Office utilities	308	303	308	303
Office supplies	1,610	1,764	1,610	1,764
Computer services	207	226	207	226
Travel expenses	59	60	59	60
Motor vehicle expenses	14	22	14	22
Service fees	635	907	635	907
Maintenance	187	414	187	414
Other	370	141	370	141
	<u>3,503</u>	<u>3,892</u>	<u>3,503</u>	<u>3,892</u>
(c) Personnel services				
NSW Crime Commission Division	-	-	10,806	10,030
Office of the NSW Crime Commission	-	-	459	497
	<u>-</u>	<u>-</u>	<u>11,265</u>	<u>10,527</u>
(d) Depreciation and amortisation expense				
Depreciation				
- Building	379	214	379	214
- Plant & equipment	298	282	298	282
- Computer equipment	817	679	817	679
- Motor vehicles	31	28	31	28
Amortisation – Software	140	173	140	173
	<u>1,665</u>	<u>1,376</u>	<u>1,665</u>	<u>1,376</u>
(e) Other expenses				
Witness protection	708	409	708	409
	<u>708</u>	<u>409</u>	<u>708</u>	<u>409</u>

3. REVENUES

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
(a) Investment income				
Interest	104	47	104	47
	<u>104</u>	<u>47</u>	<u>104</u>	<u>47</u>
(b) Other revenue				
Professional costs recovered	2,995	3,183	2,995	3,183
Miscellaneous	22	40	22	40
	<u>3,017</u>	<u>3,223</u>	<u>3,017</u>	<u>3,223</u>

4. GAIN / (LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

Written down value of assets sold/scrapped	(107)	(41)	(107)	(41)
Proceeds from disposal	79	32	79	32
	<u>(28)</u>	<u>(9)</u>	<u>(28)</u>	<u>(9)</u>

5. APPROPRIATIONS

Recurrent appropriations

Total recurrent drawdowns from Treasury (per Summary of Compliance)	12,271	12,149	12,271	12,149
Less: Liability to Consolidated Fund (per Summary of Compliance)	-	-	-	-
	<u>12,271</u>	<u>12,149</u>	<u>12,271</u>	<u>12,149</u>

Comprising:

Recurrent appropriations (per Operating Statement)	12,271	12,149	12,271	12,149
Transfer payments	-	-	-	-
	<u>12,271</u>	<u>12,149</u>	<u>12,271</u>	<u>12,149</u>

Capital appropriations

Total capital drawdowns from Treasury (per Summary of Compliance)	1,846	1,341	1,846	1,341
Less: Liability to Consolidated Fund (per Summary of Compliance)	-	624	-	624
	<u>1,846</u>	<u>717</u>	<u>1,846</u>	<u>717</u>

Comprising:

Capital appropriations (per Operating Statement)	1,846	717	1,846	717
Transfer payments	-	-	-	-
	<u>1,846</u>	<u>717</u>	<u>1,846</u>	<u>717</u>

6. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

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

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Superannuation – defined benefit	152	122	-	-
Long service leave	373	344	-	-
Payroll tax	9	7	-	-
	<u>534</u>	<u>473</u>	<u>-</u>	<u>-</u>

7. PROGRAMS / ACTIVITIES OF THE AGENCY

43.1.1 Combating Crime

Objective: To combat illegal drug trafficking and organised crime in New South Wales

The Commission has only one program.

8. CURRENT ASSETS – CASH & CASH EQUIVALENTS

Cash at bank and on hand	<u>227</u>	<u>1,419</u>	<u>227</u>	<u>1,419</u>
	<u>227</u>	<u>1,419</u>	<u>227</u>	<u>1,419</u>

For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and cash at bank.

The Commission has the following banking facilities as at 30 June 2008:

- (i) cheque cashing authority of \$300,000 (\$300,000 in 2006-07) which is the total of the credit limit.
- (ii) Mastercard facility of \$20,000 (\$20,000 in 2006-07) which is the total of the credit limit for all issued credit cards.
- (iii) Tape negotiation authority of \$800,000 (\$800,000 in 2006-07). This facility authorises the Bank to debit the Commission's operating bank account up to the above limit.
- (iv) Leasing facility of \$750,000 (\$750,000 in 2006-07).
- (v) Bank guarantee limit of \$61,000 (\$61,000 in 2006-07).

Cash and cash equivalent assets recognised in the Balance Sheet are reconciled at the end of the financial year to the Cash Flow Statement as follows:

Cash and cash equivalents (per Balance Sheet)	227	1,419	227	1,419
Closing cash and cash equivalents (per Cash Flow Statement)	227	1,419	227	1,419

Refer note 26 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

9. CURRENT ASSETS – RECEIVABLES

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Interest receivable	14	16	14	16
Operational expenses to be recouped	256	69	256	69
Professional costs to be recovered	2,388	2,152	2,388	2,152
Employee debtors	340	299	-	-
Other debtors	162	35	162	35
Less: Allowance for impairment *	(70)	(77)	(70)	(77)
Prepayments	222	242	222	242
	<u>3,312</u>	<u>2,736</u>	<u>2,972</u>	<u>2,437</u>

* Allowance for impairment is related to professional costs to be recovered.

Movement in the allowance for impairment

Balance at 1 July 2007	(77)	(77)	(77)	(77)
Amounts written off during the year	7	-	7	-
Balance at 30 June 2008	(70)	(77)	(70)	(77)

Details regarding credit risk, liquidity risk and market risk including financial assets that are either past due or impaired, are disclosed in Note 26.

10. NON-CURRENT ASSETS – RECEIVABLES

Employee Debtors	<u>121</u>	<u>89</u>	<u>-</u>	<u>-</u>
	<u>121</u>	<u>89</u>	<u>-</u>	<u>-</u>

11. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	<u>Consolidated</u>			<u>Statutory Corporation</u>		
	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 2007 – fair value						
Gross Carrying amount	16,750	13,342	30,092	16,750	13,342	30,092
Accumulated depreciation	-	(10,010)	(10,010)	-	(10,010)	(10,010)
Net carrying amount	<u>16,750</u>	<u>3,332</u>	<u>20,082</u>	<u>16,750</u>	<u>3,332</u>	<u>20,082</u>
At 30 June 2008 – fair value						
Gross Carrying amount	17,714	14,401	32,115	17,714	14,401	32,115
Accumulated depreciation	(81)	(10,391)	(10,472)	(81)	(10,391)	(10,472)
Net carrying amount	<u>17,633</u>	<u>4,010</u>	<u>21,643</u>	<u>17,633</u>	<u>4,010</u>	<u>21,643</u>

Reconciliation

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

	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
Year ended 30 June 2008						
Net carrying amount at start of year	16,750	3,332	20,082	16,750	3,332	20,082
Additions	-	1,931	1,931	-	1,931	1,931
Disposals	-	(107)	(107)	-	(107)	(107)
Depreciation expense	(379)	(1,146)	(1,525)	(379)	(1,146)	(1,525)
Net revaluation increment less revaluation decrements	1,262	-	1,262	1,262	-	1,262
Net carrying amount at end of year	<u>17,633</u>	<u>4,010</u>	<u>21,643</u>	<u>17,633</u>	<u>4,010</u>	<u>21,643</u>
At 1 July 2006 – fair value						
Gross Carrying Amount	13,750	13,581	27,331	13,750	13,581	27,331
Accumulated depreciation	(259)	(9,868)	(10,127)	(259)	(9,868)	(10,127)
Net carrying amount	<u>13,491</u>	<u>3,713</u>	<u>17,204</u>	<u>13,491</u>	<u>3,713</u>	<u>17,204</u>
At 30 June 2007 – fair value						
At Fair Value	16,750	13,342	30,092	16,750	13,342	30,092
Accumulated depreciation	-	(10,010)	(10,010)	-	(10,010)	(10,010)
Net carrying amount	<u>16,750</u>	<u>3,332</u>	<u>20,082</u>	<u>16,750</u>	<u>3,332</u>	<u>20,082</u>

Reconciliation

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

	<u>Consolidated</u>			<u>Statutory Corporation</u>		
	<u>Land and buildings \$'000</u>	<u>Plant and equipment \$'000</u>	<u>Total \$'000</u>	<u>Land and buildings \$'000</u>	<u>Plant and equipment \$'000</u>	<u>Total \$'000</u>
Year ended 30 June 2007						
Net carrying amount at start of year	13,491	3,713	17,204	13,491	3,713	17,204
Additions	-	654	654	-	654	654
Disposals	-	(46)	(46)	-	(46)	(46)
Depreciation expense	(214)	(989)	(1,203)	(214)	(989)	(1,203)
Net revaluation increment less revaluation decrements	3,473	-	3,473	3,473	-	3,473
Net carrying amount at end of year	<u>16,750</u>	<u>3,332</u>	<u>20,082</u>	<u>16,750</u>	<u>3,332</u>	<u>20,082</u>

12. INTANGIBLE ASSETS

	<u>Consolidated</u>	<u>Statutory Corporation</u>
	Total \$'000	Total \$'000
At 1 July 2007		
Cost (gross carrying amount)	896	896
Accumulated amortisation and impairment	(715)	(715)
Net carrying amount	181	181
At 30 June 2008		
Cost (gross carrying amount)	884	884
Accumulated amortisation and impairment	(836)	(836)
Net carrying amount	48	48
Year ended 30 June 2008		
Net carrying amount at start of year	181	181
Additions (from internal development or acquired separately)	7	7
Amortisation (recognised in "depreciation and amortisation")	(140)	(140)
Net carrying amount at end of year	48	48
As at 1 July 2006		
Cost (gross carrying amount)	796	796
Accumulated amortisation and impairment	(542)	(542)
Net carrying amount	254	254
As at 30 June 2007		
Cost (gross carrying amount)	896	896
Accumulated amortisation and impairment	(715)	(715)
Net carrying amount	181	181
Year ended 30 June 2007		
Net carrying amount at start of year	254	254
Additions (from internal development or acquired separately)	100	100
Amortisation (recognised in "depreciation and amortisation")	(173)	(173)
Net carrying amount at end of year	181	181

13. CAPITAL WORK IN PROGRESS

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Capital work in progress at balance date	-	344	-	344
	<u>-</u>	<u>344</u>	<u>-</u>	<u>344</u>

14. CURRENT LIABILITIES – PAYABLES

Accrued salaries, wages and on-costs	58	27	-	-
Creditors	451	277	451	277
Accrued other operating expenses	102	276	102	276
Accrued capital expenditure	-	344	-	344
	<u>611</u>	<u>924</u>	<u>553</u>	<u>897</u>

15. CURRENT LIABILITIES - BORROWINGS

Unsecured

Finance leases	340	299	-	-
	<u>340</u>	<u>299</u>	<u>-</u>	<u>-</u>

16. CURRENT LIABILITIES – PROVISIONS

Employee benefits and related on-costs

Provision for personnel services	-	-	1,084	1,020
Recreation leave	738	725	-	-
Long Service Leave on-costs	193	168	-	-
Total provisions	<u>931</u>	<u>893</u>	<u>1,084</u>	<u>1,020</u>

17. CURRENT LIABILITIES – OTHER

Liability to Consolidated Fund	-	624	-	624
	<u>-</u>	<u>624</u>	<u>-</u>	<u>624</u>

18. NON-CURRENT LIABILITIES – PROVISIONS

Employee benefits and related on-costs

Annual Leave	85	91	-	-
Long Service Leave on-costs	10	9	-	-
Total provisions	<u>95</u>	<u>100</u>	<u>-</u>	<u>-</u>

Aggregate employee benefits and related on-costs

Provisions – current	931	893	-	-
Provisions – non-current	95	100	-	-
Accrued salaries, wages and on-costs (Note 14)	47	24	-	-
	<u>1,073</u>	<u>1,017</u>	<u>-</u>	<u>-</u>

19. NON-CURRENT LIABILITIES – BORROWINGS

Unsecured

Finance leases	121	89	-	-
	<u>121</u>	<u>89</u>	<u>-</u>	<u>-</u>

20. CHANGES IN EQUITY

	Accumulated funds		Asset revaluation reserve		Total equity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Balance at the beginning of the financial year	11,136	11,213	10,786	7,313	21,922	18,526
<u>Changes in equity – other than transactions with owners as owners</u>						
Surplus / (deficit) for the year	69	(77)	-	-	69	(77)
Increment on revaluation of: Land and buildings		-	1,262	3,473	1,262	3,473
Total	69	(77)	1,262	3,473	1,331	3,396
Balance at the end of the financial year	11,205	11,136	12,048	10,786	23,253	21,922

21. COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

Aggregate capital expenditure for the acquisition of surveillance equipment and information technology equipment contracted for at balance date and not provided for:

	Consolidated		Statutory Corporation	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Not later than one year	-	287	-	-
Total (including GST)	-	287	-	-

(b) Finance Lease Commitments

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

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

Not later than one year	340	299	-	-
Later than one year and not later than five years	121	89	-	-
Minimum lease payments	461	388	-	-
Less: future finance charges	(30)	(18)	-	-
Present value of minimum lease payments	431	370	-	-

The present value of finance lease commitments is as follows:

Not later than one year	340	299	-	-
Later than one year and not later than five years	121	89	-	-

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

22. CONTINGENT LIABILITIES

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

In the current year there is one substantial claim for alleged damages. There is also one anticipated substantial claim for costs arising out of other litigation.

Liability has not been assessed and cannot be reliably quantified in relation to either of the above matters.

23. BUDGET REVIEW

Net cost of services

The actual net cost of services (NCOS) was higher than budget by \$437,000. Depreciation exceeded budget by \$235,000. Total expenses were higher than budget by \$487,000, however total revenue was also slightly higher than budget by \$38,000.

Assets and liabilities

The Commission's total assets and total liabilities are in line with budget. Current liabilities are lower than budget largely due to the Liability to the Consolidated Fund being repaid in full in the current year.

Cash flows

The Commission's operating net cash flows was lower than budget largely due to the Liability to the Consolidated Fund being repaid in the current year.

24. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	<u>Consolidated</u>		<u>Statutory Corporation</u>	
	<u>2008</u> <u>\$'000</u>	<u>2007</u> <u>\$'000</u>	<u>2008</u> <u>\$'000</u>	<u>2007</u> <u>\$'000</u>
Net cash used on operating activities	323	1,942	323	1,942
Cash flows from government / appropriations	(13,493)	(13,490)	(13,493)	(13,490)
Acceptance by the Crown Entity of employee benefits and other liabilities	(534)	(473)	-	-
Depreciation & amortisation	(1,665)	(1,376)	(1,665)	(1,376)
Assets acquired at no cost	(93)	-	(93)	-
Decrease / (increase) in provisions	(33)	(129)	(33)	(129)
Increase / (decrease) in receivables and other assets	625	497	625	497
Decrease / (Increase) in creditors	316	(378)	316	(378)
Net (loss) / gain on sale of plant and equipment	(28)	(9)	(28)	(9)
Net cost of services	(14,582)	(13,416)	(14,048)	(12,943)

25. ADMINISTERED ASSETS

Administered Assets

During the course of its operations in criminal investigations and confiscation action, funds come into the hands of the Commission in respect of which there is no clear position as to its title or disposition. These funds are paid into an Escrow account pending determination of such issues. The account is interest bearing and it is reconciled as to principal and interest on a regular basis. The balance of the account is not treated as an asset of the Commission. The funds are administered by the Public Trustee. An amount of \$4,688,502.14 was being held on behalf of the NSW Crime Commission at 30 June 2008 (\$17,848,493.42 as at 30 June 2007).

26. FINANCIAL INSTRUMENTS

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

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

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

(a) Financial instrument categories

Financial Assets	Not	Category	Carrying Amount 2008 \$'000	Carrying Amount 2007 \$'000
Class:				
Cash and cash equivalents	:	N/A	227	1,419
Receivables ¹	:	Loans and receivables at amortised cost	3,144	2,626
Financial Liabilities	Not	Category	Carrying Amount 2008 \$'000	Carrying Amount 2007 \$'000
Class:				
Payables ²	1:	Financial liabilities measured at amortised cost	433	873
Borrowings	1:	Financial liabilities measured at amortised cost	461	388

(b) Credit Risk

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

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in para (d) below

Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Commission will not be able to collect all amounts due. The Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. The carrying amount approximates fair value.

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

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

(c) Liquidity Risk

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

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Commission's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

(d) Market Risk

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

27. AFTER BALANCE DATE EVENTS

There were no after balance date events.

End of audited financial report

**NEW SOUTH WALES CRIME COMMISSION DIVISION
(Special Purpose Service Entity)**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**


New South Wales Crime Commission Division

Financial Statements for the
Year Ended 30 June 2008

STATEMENT BY COMMISSIONER

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

- (a) The accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2005, the *Treasurer's Directions* and applicable Australian Accounting Standards (including Australian Accounting Interpretations)
- (b) The statements present a true and fair view of the financial position as at 30 June 2008 and transactions of the Division for the period then ended.
- (c) There are no circumstances that would render any particulars included in the Financial Statements misleading or inaccurate.



PA Bradley
Commissioner



Katie Bourne
Chief Finance Officer

Dated: 24 October 2008



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

New South Wales Crime Commission Division

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the New South Wales Crime Commission Division (the Division), which comprises the balance sheet as at 30 June 2008, the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Division as at 30 June 2008, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Commissioner's Responsibility for the Financial Report

The Commissioner is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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


My opinion does *not* provide assurance:

- about the future viability of the Division,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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



Peter Carr
Director, Financial audit Services

24 October 2008
SYDNEY

NEW SOUTH WALES CRIME COMMISSION DIVISION
Income Statement for the Year Ended 30 June 2008

	Notes	Actual 2008 \$'000	Actual 2007 \$'000
Revenue			
Personnel services – NSW Crime Commission	2	10,806	10,030
Other	2	454	395
Expenses			
Employee related	3	11,260	10,425
		<hr/>	<hr/>
Surplus for the year		<hr/> - <hr/>	<hr/> - <hr/>

The accompanying notes form part of these financial statements.

NEW SOUTH WALES CRIME COMMISSION DIVISION
Statement of Recognised Income and Expense for the Year Ended 30 June 2008

Notes	Actual 2008 \$'000	Actual 2007 \$'000
Net increase/(decrease) in property, plant and equipment asset revaluation reserve	-	-
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	<u>-</u>	<u>-</u>
Surplus/(Deficit) for the year	<u>-</u>	<u>-</u>
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

NEW SOUTH WALES CRIME COMMISSION DIVISION
Balance Sheet as at 30 June 2008

	Notes	Actual 2008 \$'000	Actual 2007 \$'000
ASSETS			
Current Assets			
Receivables	4	1,340	1,237
Total Current Assets		<u>1,340</u>	<u>1,237</u>
Non-Current Assets			
Receivables	5	121	89
Total Non-Current Assets		<u>121</u>	<u>89</u>
Total Assets		<u>1,461</u>	<u>1,326</u>
LIABILITIES			
Current Liabilities			
Payables	6	55	25
Borrowings	7	340	299
Provisions	8	851	814
Total Current Liabilities		<u>1,246</u>	<u>1,138</u>
Total Non-Current Liabilities			
Provisions	9	94	99
Borrowings	10	121	89
Total Non-Current Liabilities		<u>215</u>	<u>188</u>
Total Liabilities		<u>1,461</u>	<u>1,326</u>
Net Assets		<u>-</u>	<u>-</u>
EQUITY			
Accumulated funds		-	-
Total Equity		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

NEW SOUTH WALES CRIME COMMISSION DIVISION
Cash Flow Statement for the Year Ended 30 June 2008

	Notes	Actual 2008 \$'000	Actual 2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		11,260	10,425
Total Payments		<u>11,260</u>	<u>10,425</u>
Receipts			
Other		10,806	10,030
Total Receipts		<u>10,806</u>	<u>10,030</u>
Cash Flows From Government			
Cash reimbursements from the Crown Entity		454	395
Net Cash Flows From Government		<u>454</u>	<u>395</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES		<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH		-	-
Opening cash and cash equivalents		-	-
CLOSING CASH AND CASH EQUIVALENTS		<u>-</u>	<u>-</u>

The accompanying notes form part of these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Reporting entity*

The New South Wales Crime Commission Division is a division of the Government Service, established pursuant to Part 3 of Schedule 1 to the *Public Sector Employment and Management Act 2002*. It is a not-for-profit entity (as profit is not its principal objective). It is consolidated as part of the NSW Crime Commission's Accounts. It is domiciled in Australia and its principal office is at 453-463 Kent St, Sydney.

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

The New South Wales Crime Commission Division commenced operations on 17 March 2006 when it assumed responsibility for the employees and employee-related liabilities of the New South Wales Crime Commission. The assumed liabilities were recognised on 17 March 2006 together with an offsetting receivable representing the related funding due from the former employer.

The financial report was authorised for issue by the Commissioner on 24 October 2008.

(b) *Basis of preparation*

This is a general purpose financial report prepared in accordance with the requirements of the Australian Accounting Standards (which include Australian Accounting Interpretations), the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005*, and specific directions issued by the Treasurer.

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

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

Management's judgements, key assumptions and estimates are disclosed in the relevant notes to the financial report.

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

(c) *Comparative Information*

The comparative figures are for the period 01 July 2006 to 30 June 2007.

(d) *Income*

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

(e) *Receivables*

A receivable is recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

A receivable is measured initially at fair value and subsequently at amortised cost using the effective interest rate method, less any allowance for doubtful debts. A short-term receivable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial. An invoiced receivable is due for settlement within thirty days of invoicing.

If there is objective evidence at year-end that a receivable may not be collectable, its carrying amount is reduced by means of an allowance for doubtful debts and the resulting loss is recognised in the income statement. Receivables are monitored during the year and bad debts are written off against the allowance when they are determined to become irrecoverable. Any other gain or loss arising when a receivable is derecognised is also recognised in the income statement.

(f) *Payables*

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

A payable is recognised when a present obligation arises under the contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted. A short-term payable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial.

(g) *Employee benefit provisions and expenses*

Provisions are made for liabilities of uncertain amount or uncertain timing of settlement.

Employee benefit provisions represent expected amounts payable in the future in respect of unused entitlements accumulated as at the reporting date. Liabilities associated with, but that are not, employee benefits (such as payroll tax) are recognised separately.

Long-term annual leave is measured at nominal value, rather than at present value as the financial impact of discounting on the portion of the long-term leave is not material.

All other employee benefit liabilities (ie for benefits falling due wholly within twelve months after reporting date) are assessed by management and are measured at the undiscounted amount of the estimated future payments.

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

Long service leave is measured on a present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 07/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

Long service leave on-costs are not assumed by the Crown Entity and are the responsibility of the Commission except for the related on-costs and annual leave accruing while on long service leave.

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

(h) *Leased assets*

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

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

(i) *New Australian Accounting Standards issued but not yet effective*

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

- AASB 1049 *Whole of Government and General Government Sector Financial Reporting*
- AASB 2007-9 *Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31*
- AASB 101-*Presentation of Financial Statements*
- AASB 123 *Borrowing Costs*
- AASB 1050 *Administered Items*
- AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*

While the impact of these standards in the period of initial application has not been specifically quantified, they are not expected to materially impact the financial report.

	2008	2007
	\$'000	\$'000
2. REVENUES		
Personnel Services – NSW Crime Commission	10,806	10,030
Other Revenue	454	395
	<u>11,260</u>	<u>10,425</u>
3. EXPENSES		
Employee related expenses	<u>11,260</u>	<u>10,425</u>
	<u>11,260</u>	<u>10,425</u>
4. CURRENT ASSETS – RECEIVABLES		
Employee Debtors	340	299
NSW Crime Commission	1,000	938
	<u>1,340</u>	<u>1,237</u>
5. NON-CURRENT ASSETS – RECEIVABLES		
Employee Debtors	121	89
	<u>121</u>	<u>89</u>
6. CURRENT LIABILITIES – PAYABLES		
Accrued salaries, wages and on-costs	55	25
	<u>55</u>	<u>25</u>
7. CURRENT LIABILITIES - BORROWINGS		
Unsecured		
Finance leases	340	299
	<u>340</u>	<u>299</u>
8. CURRENT LIABILITIES – PROVISIONS		
	2008	2007
	\$'000	\$'000
Employee benefits and related on-costs		
Annual leave	678	664
Long Service Leave on-costs	173	150
Total provisions	<u>851</u>	<u>814</u>
9. NON-CURRENT LIABILITIES – PROVISIONS		
Employee benefits and related on-costs		
Long Service Leave on-costs	9	8
Annual leave	85	91
	<u>94</u>	<u>99</u>
10. NON-CURRENT LIABILITIES – BORROWINGS		
Unsecured		
Finance leases	121	89
	<u>121</u>	<u>89</u>

11. COMMITMENTS FOR EXPENDITURE

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

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

Finance Lease Commitments

Not later than one year	340	299
Later than one year and not later than five years	121	89
Minimum lease payments	461	388
Less: future finance charges	(30)	(18)
Present value of minimum lease payments	431	370

The present value of finance lease commitments is as follows:

Not later than one year	340	299
Later than one year and not later than five years	121	89
Classified as:		
Current (Note 7)	340	299
Non current (Note 10)	121	89

There are no other capital or operating commitments for 2007/08.

12. FINANCIAL INSTRUMENTS

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

Receivables

All receivables are from the NSW Crime Commission. As such, there is no credit risk or interest risk in relation to these balances. The carrying amount approximates fair value.

End of audited financial report.

**OFFICE OF THE NEW SOUTH WALES CRIME COMMISSION
(Special Purpose Service Entity)
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

Office of the New South Wales Crime Commission

Financial Statements for the
Year Ended 30 June 2008

STATEMENT BY COMMISSIONER

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

- (a) The accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2005, the *Treasurer's Directions* and applicable Australian Accounting Standards (which includes Australian Accounting Interpretations)
- (b) The statements present a true and fair view of the financial position as at 30 June 2008 and transactions of the Office for the year then ended.
- (c) There are no circumstances that would render any particulars included in the Financial Statements misleading or inaccurate.



PA Bradley
Commissioner



Katie Bourne
Chief Finance Officer

Dated: 24 October 2008



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Office of the New South Wales Crime Commission

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Office of the New South Wales Crime Commission (the Office), which comprises the balance sheet as at 30 June 2008, the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Office as at 30 June 2008, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Commissioner's Responsibility for the Financial Report

The Commissioner is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

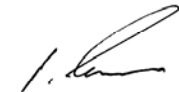
My opinion does *not* provide assurance:

- about the future viability of the Office,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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



Peter Carr
Director, Financial audit Services

24 October 2008
SYDNEY

OFFICE OF THE NEW SOUTH WALES CRIME COMMISSION
Income Statement for the Year Ended 30 June 2008

	Notes	Actual 2008 \$'000	Actual 2007 \$'000
Revenue			
Personnel Services – NSW Crime Commission	2	459	497
Other	2	79	78
Expenses			
Employee related	3	<u>538</u>	<u>575</u>
Surplus for the year		<u>0</u>	<u>0</u>

The accompanying notes form part of these financial statements.

OFFICE OF THE NEW SOUTH WALES CRIME COMMISSION
Statement of Recognised Income and Expense for the Year Ended 30 June 2008

Notes	Actual 2008 \$'000	Actual 2007 \$'000
Net increase/(decrease) in property, plant and equipment asset revaluation reserve	-	-
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	<u>-</u>	<u>-</u>
Surplus/(Deficit) for the year	-	-
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

OFFICE OF THE NEW SOUTH WALES CRIME COMMISSION
Balance Sheet as at 30 June 2008

	Notes	Actual 2008 \$'000	Actual 2007 \$'000
ASSETS			
Current Assets			
Receivables	4	84	81
Total Current Assets		84	81
Total Assets		84	81
LIABILITIES			
Current Liabilities			
Payables	5	3	1
Provisions	6	80	79
Total Current Liabilities		83	80
Total Non-Current Liabilities			
Provisions	7	1	1
Total Non-Current Liabilities		1	1
Total Liabilities		84	81
Net Assets		-	-
EQUITY			
Accumulated funds		-	-
Total Equity		-	-

The accompanying notes form part of these financial statements.

OFFICE OF THE NEW SOUTH WALES CRIME COMMISSION
Cash Flow Statement for the Year Ended 30 June 2008

	Actual 2008 \$'000	Actual 2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee related	538	575
Total Payments	<u>538</u>	<u>575</u>
Receipts		
Other	459	497
Total Receipts	<u>459</u>	<u>497</u>
Cash Flows From Government		
Cash reimbursements from the Crown Entity	79	78
Net Cash Flows From Government	<u>79</u>	<u>78</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH	-	-
Opening cash and cash equivalents	-	-
CLOSING CASH AND CASH EQUIVALENTS	<u>-</u>	<u>-</u>

The accompanying notes form part of these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Office of the New South Wales Crime Commission is a division of the Government Service, established pursuant to Part 1 of Schedule 1 to the *Public Sector Employment and Management Act 2002*. It is a not-for-profit entity (as profit is not its principal objective). It is consolidated as part of the NSW Crime Commission's accounts. It is domiciled in Australia and its principal office is at 453-463 Kent St, Sydney.

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

The Office of the New South Wales Crime Commission commenced operations on 1 July 2006 when it assumed responsibility for the employees and employee-related liabilities of the New South Wales Crime Commission. The assumed liabilities were recognised on 1 July 2006 together with an offsetting receivable representing the related funding due from the former employer.

The financial report was authorised for issue by the Commissioner on 24 October 2008.

(b) Basis of preparation

This is a general purpose financial report prepared in accordance with the requirements of the Australian Accounting Standards (which include Australian Accounting Interpretations), the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2005*, and specific directions issued by the Treasurer.

Generally, the historical cost basis of accounting has been adopted and the financial report does not take into account changing money values or current valuations. However, certain provisions are measured at fair value. See notes 6 and 7.

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

Management's judgements, key assumptions and estimates are disclosed in the relevant notes to the financial report.

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

(c) Comparative Information

The comparative figures are for the period 1 July 2006 to 30 June 2007.

(d) Income

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

(e) Receivables

A receivable is recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

A receivable is measured initially at fair value and subsequently at amortised cost using the effective interest rate method, less any allowance for doubtful debts. A short-term receivable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial. An invoiced receivable is due for settlement within thirty days of invoicing.

If there is objective evidence at year-end that a receivable may not be collectable, its carrying amount is reduced by means of an allowance for doubtful debts and the resulting loss is recognised in the income statement. Receivables are monitored during the year and bad debts are written off against the allowance when they are determined to become irrecoverable. Any other gain or loss arising when a receivable is derecognised is also recognised in the income statement.

(f) *Payables*

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

A payable is recognised when a present obligation arises under the contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted. A short-term payable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial.

(g) *Employee benefit provisions and expenses*

Provisions are made for liabilities of uncertain amount or uncertain timing of settlement.

Employee benefit provisions represent expected amounts payable in the future in respect of unused entitlements accumulated as at the reporting date. Liabilities associated with, but that are not, employee benefits (such as payroll tax) are recognised separately.

Long-term annual leave is measured at nominal value, rather than at present value as the financial impact of discounting on the portion of the long-term leave is not material.

All other employee benefit liabilities (ie for benefits falling due wholly within twelve months after reporting date) are assessed by management and are measured at the undiscounted amount of the estimated future payments.

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

Long service leave is measured on a present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 07/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

Long service leave on-costs are not assumed by the Crown Entity and are the responsibility of the Commission except for the related on-costs and annual leave accruing while on long service leave.

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

(h) *New Australian Accounting Standards issued but not yet effective*

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

- AASB 1049 *Whole of Government and General Government Sector Financial Reporting*
AASB 2007-9 *Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31*
- AASB 101-*Presentation of Financial Statements*
- AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*

While the impact of these standards in the period of initial application has not been specifically quantified, they are not expected to materially impact the financial report.

	2008 \$'000	2007 \$'000
2. REVENUES		
Other revenue Personnel Services – NSW Crime Commission	459	497
Other Revenue	79	78
	<u>538</u>	<u>575</u>
3. EXPENSES		
Employee related expenses	538	575
	<u>538</u>	<u>575</u>
4. CURRENT ASSETS – RECEIVABLES		
NSW Crime Commission	84	81
	<u>84</u>	<u>81</u>
5. CURRENT LIABILITIES – PAYABLES		
Accrued salaries, wages and on-costs	3	1
	<u>3</u>	<u>1</u>
6. CURRENT LIABILITIES – PROVISIONS		
Employee benefits and related on-costs		
Annual leave	59	60
Long Service Leave on-costs	21	19
Total provisions	<u>80</u>	<u>79</u>
7. NON-CURRENT LIABILITIES – PROVISIONS		
Employee benefits and related on-costs		
Long Service Leave on-costs	1	1
	<u>1</u>	<u>1</u>
8. FINANCIAL INSTRUMENTS		

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

Deleted: 's

Receivables

All receivables are from the NSW Crime Commission. As such, there is no credit risk or interest risk in relation to these balances. The carrying amount approximates fair value.

End of audited financial report

**Performance statements for the year ended
30 June 2008**

**Mr Phillip A Bradley
Commissioner
Appointed on 17 July 1989**

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

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

**Mr John M Giorgiutti
Solicitor to the Commission and Director
Appointed on 2 July 1990**

Mr Giorgiutti is the Solicitor to the Commission, and has oversight of all legal issues affecting the Commission, and reports to the Commissioner. He also takes a leading role in respect of ICT issues. Mr Giorgiutti is a member of the Commission's Management Team.

**Mr Jon Spark
Assistant Director, Financial Investigations
Appointed on 15 September 1997**

Mr Spark has been the Assistant Director, Financial Investigations since January 2006 (although he has been employed by the Commission in another capacity since September 1997), and is in charge of the Financial Investigation Team in the management of the Commission's confiscation functions. Mr Spark is also a member of the Commission's Management Team.

**Mr Tim O'Connor
Assistant Director, Investigations
Appointed firstly on 1 October 1997 and
recommenced in that role on 21 June 1999 after
a short period of absence.**

Mr O'Connor is the Assistant Director, Investigations, in charge of the overall direction of criminal investigations in respect of several Commission References. Mr O'Connor is a member of the Commission's Management Team.

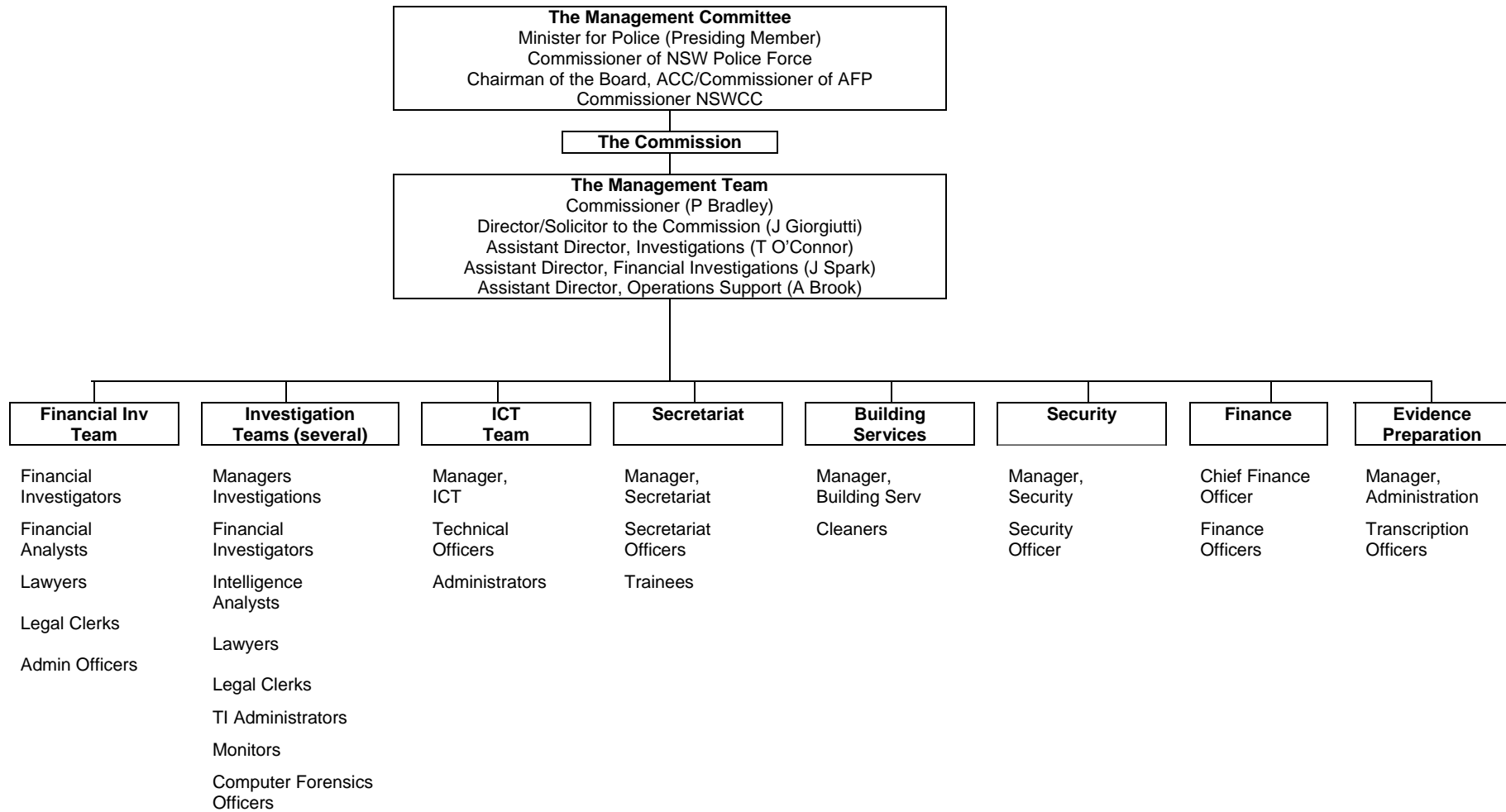
**Ms Alison Brook
Assistant Director, Operations Support
Appointed on 26 October 1993**

Ms Brook has oversight of the Commission's corporate services. She also manages support functions that are specific to a law enforcement environment. She manages the Commission's response in respect of one Reference. Ms Brook is

also involved in the development of policies on some emerging crime issues. She is a member of the Commission's Management Team.

The performance of each of the above officers in their respective roles during 2007/08 has been deemed by the Commissioner to be satisfactory.

Organisation Chart as at 30 June 2008



Arrests and charges

Reference	Arrests	Charges
<i>Azure VIII</i>	26	112
<i>Carinda II</i>	14	171
<i>Dalgety IV</i>	5	9
<i>Ebenezer V</i>	10	33
<i>Gecko VII</i>	76	257
<i>Gladesville IV</i>	18	73
<i>Gymea VI</i>	5	7
<i>Ingleside II</i>	26	59
<i>Kareela II</i>	4	48
<i>Kempsey II</i>	5	7
<i>Kingsvale VII</i>	2	6
<i>Nashua</i>	2	2
<i>Putney V</i>	9	25
<i>Strathfield III</i>	2	4
<i>Tenterfield</i>	3	22
<i>Ultimo II</i>	19	109
<i>Undercliffe</i>	1	10
<i>Vacy VIII</i>	94	539
<i>Valentine</i>	8	63
<i>Waratah VIII</i>	14	32
<i>Zeehan V</i>	9	29
<i>Zetland VIII</i>	10	113
Total	362	1,730

Cash Seized

Reference	Cash Seized AUD
<i>Azure VIII</i>	\$23,956
<i>Carinda II</i>	130,325
<i>Dalgety V</i>	354,600
<i>Ebenezer V</i>	310,395
<i>Gecko VII</i>	3,205,210
<i>Gladesville IV</i>	63,250
<i>Gymea VI</i>	1,047,890
<i>Ingleside II</i>	81,000
<i>Putney V</i>	1,100
<i>Ultimo II</i>	17,985
<i>Undercliffe</i>	2,600
<i>Vacy VIII</i>	3,488,304
<i>Valentine</i>	5,000
<i>Waratah VIII</i>	2,887,225
<i>Zetland VIII</i>	712
Total	\$11,619,552

Seizures

	<i>Dalgety V</i>	<i>Gecko VI</i>	<i>Gladesville IV</i>	<i>Ingleside II</i>	<i>Putney V</i>	<i>Strathfield III</i>	<i>Ultimo II</i>	<i>Undercliffe</i>	<i>Vacy VIII</i>	<i>Waratah VIII</i>	TOTAL
Amphetamine							250g				250g
Amphetamine – ice		53,540g							1,310g		54,850g
Cannabis plants		568	572	1,714		10			2		2866
Cannabis leaf		93,100g	52,000g	203,000		2,727			10,900g	10,000g	371,727g
Cocaine		251,980g			305g				809g	451g	253,545g
Ecstasy tablets		25,000g			104			5,000	31,998		25,000g 37,102tabs
Nexus (Ecstasy derivative)		4,420g									4,420g
Heroin	28,300g	330g							56g		28,686g
Methylamphetamine Powder									1,300g		1,300g

Drug seizures do not appear for References under which small quantities were seized.

Large quantities of precursor chemicals and equipment for the production of amphetamine-type-substances as well as cutting agents were seized during the year under a number of References.

A large number of false identity documents (licences, passports, birth certificates, Medicare cards, false banking documents and blank documents were seized during the year under the *Carinda II* and other References). Police also seized prepaid gift cards to the value of approximately \$30,000 in *Carinda II*. In *Ebenezer V*, aside from large quantities of false identity documents, many false credit cards, stolen credit cards, and equipment and blank cards used to manufacture false credit cards, were seized, as were computer and ancillary equipment.

Significant quantities of firearms and other weapons, quantities of ammunition and a grenade launcher were seized under various References, as were a range of items such as taser guns, body armour and capsicum spray. Large quantities of computers (and associated equipment), mobile phones, pill presses, hydroponic equipment, jet ski, electrical equipment were seized.

Excerpt from Results and Services Plan

Result Indicators

Result	Result Indicators	03/04	04/05	05/06	06/07	07/08
High level drug traffickers and other serious criminals are investigated through the use of the Commission's coercive and other special powers	Aggregated annual statistics on the use of the Commission's coercive powers. Numbers of uses:	2,632	2,887	3,128	2,751	2,756
Restrain and confiscate the assets of serious criminals	The \$ amount of annual realisable confiscation orders – the proceeds of which are transferred into the NSW Confiscation Proceeds Account.	\$17.8m	\$16.8m	\$15.9m	\$20.9m	\$32.7m

Service Measures

Service Group	07/08	Service Measures	04/05	05/06	06/07	07/08	Key result Area
The Commission	\$15,549,000	Number of s10 and 17 Notices issued	1,810	2,073	1,780	1,866	Effectively combating illegal drug trafficking, and organised and other crime in NSW
	Recurrent budget plus legal costs recovered	Number of s16 Summonses issued	167	139	122	159	
Criminal Investigation Teams	\$12,096,252	Number of current References	28	32	26	33	Effectively combating illegal drug trafficking, and organised and other crime in NSW
		Number of arrests	405	432	445	362	
		Number of charges	1,913	2,180	2,482	1,730	
		Number of telecommunications interception warrants granted	795	833	788	672	
		Number of listening device warrants granted	115	83	61	59	
		Number of controlled operations	26	12	12	31	
Financial Investigation Teams	\$3,362,748	Number of realisable confiscation orders	126	123	103	131	Effectively combating illegal drug trafficking, and organised and other crime in NSW
		Number of matters in the Supreme Court list	123	109	117	127	
		Value of realisable confiscation orders	\$16.8m	\$15.9m	\$20.9m	\$32.7m	
		Percentage of matters settled out of court	91%	93%	96%	98%	

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