

ANNUAL REPORT 1994-5

ICAC

INDEPENDENT
COMMISSION
AGAINST
CORRUPTION

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INDEPENDENT COMMISSION AGAINST CORRUPTION

The Hon Max Willis MLC
President
Legislative Council
Parliament House
SYDNEY NSW 2000

The Hon John Murray
Speaker
Legislative Assembly
Parliament House
SYDNEY NSW 2000

Dear Gentlemen

In accordance with s76 of the Independent Commission Against Corruption Act 1988, the Commission hereby furnishes to each of you for presentation to Parliament the ICAC Annual Report for the year ended 30 June 1995.

The Report has been prepared in accordance with the requirements of the Independent Commission Against Corruption Act 1988 and the Annual Reports (Departments) Act 1985.

If Parliament is not in session when this report is ready for publication, I recommend, pursuant to s78 of the Independent Commission Against Corruption Act 1988, that the Report be made public forthwith.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'B.S.J. O'Keefe', with a small flourish at the end.

The Hon B.S.J O'Keefe AM QC
Commissioner

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INTRODUCTION

THE Independent Commission Against Corruption (ICAC) was established in March 1989 by the *Independent Commission Against Corruption Act 1988*. The Commission's mission is to expose and minimise corruption in the NSW public sector.

The Commission operates independently of government and is accountable to the people of NSW through the Parliament. All NSW public sector departments, statutory authorities, local governments and public officials, including politicians and the judiciary, are subject to the ICAC's charter.

The Commission's main functions are set out in the *Independent Commission Against Corruption Act 1988*:

- **Investigation**

Exposing and deterring corrupt conduct by investigating into and reporting on allegations of corruption;

- **Corruption Prevention**

Minimising or preventing corruption opportunities by working with the public sector to improve procedures and operating systems; and

- **Education**

Informing the community and public sector about the detrimental effects of corruption and the benefits of prevention strategies.

Most ICAC work arises from reports by public sector agencies and information provided by members of the public. Subject to certain accountability mechanisms, the Commission has discretion as to which matters it will pursue. It has special obligations in regard to complaints from members of the public and matters referred by the Parliament.

The Commission may initiate investigations and corruption prevention and education work. The Commission can form taskforces with other government agencies.

Long-term strategies for the ICAC are based on the 1995–98 Corporate Plan objectives, which state the Commission should:

- be and be recognised as the lead agency promoting integrity in the NSW public sector;
- be tenacious in combating corruption, maintaining its independence and protecting the public interest;
- have regard for the impact of the Commission's work on organisations and individuals;
- work collaboratively and co-operatively with public sector agencies and other organisations;
- emphasise to the community and the public sector the benefit of preventing corruption; and
- undertake its work in a way that uses a diversity of skills and approaches.

During 1995–96, these objectives are being actively pursued through the implementation of the Commission's first strategic plan.

The structure of this report broadly reflects the program structure adopted in the new Corporate and Strategic Plans which were approved on 30 June (the Corporate Plan is included at Appendix1).

To facilitate comparison in future years, achievements and activities in 1994–95 are included under the relevant program heading. Investigation Services and Legal Services are described in the chapter on Investigations and Accountability. Statutory reporting requirements are met fully in this report.



COMMISSION HIGHLIGHTS FOR 1994-5

- In November, former Chief Judge of the NSW Supreme Court's Commercial Division Barry O'Keefe, AM, QC, commenced a five year term as ICAC Commissioner, replacing Ian Temby, QC, who completed his appointment in March 1994 (p44).
- A study of recommendations from the ICAC's first 29 investigation reports showed that 71 per cent of recommendations for systemic change and 40 per cent of recommendations for legislative change were implemented (p10).
- Uniform guidelines for State Government agencies dealing with child sexual abuse were recommended by the *ICAC Interim Report on the Alleged Police Protection of Paedophiles*. Such guidelines are seen as a means of increasing detection of paedophile activity (p20).
- Major recommendations for change to planning and development approval laws were made to the State Government in the ICAC's report on Randwick City Council (p21).
- The *Protected Disclosures Act 1994* came into effect in March. The Act provides for the protection of public servants who disclose instances of corruption (p27).
- A high school curriculum project was launched statewide, bringing education about corruption-related issues to 9,000 Higher School Certificate legal studies students each year. Work began on including ICAC study material in TAFE college curriculums and university business ethics courses (p11).
- A video about the Commission was produced. It is being used to inform public sector employees and community members about the ICAC's role, functions and interaction with the public sector, private sector and the community (p12).
- Reports of corrupt conduct from the public rose by 13 per cent compared with 1993-94 (p17).
- Three major corruption prevention reports—*Monitoring Cash Handling in Public Hospitals*, *Corruption Prevention & Plant (Heavy Machinery) Hire and Contracting for Services: The Probity Perspective*—were launched and received a positive response from agencies and the community (p7).
- Requests by public sector agencies for Commission advice on corruption prevention issues rose by 23 per cent over 1993-94 (p7).



Tim Robinson, Director, Operational Services guided the development of the ICAC's Corporate Plan with input from others in the Commission including Yvonne Miles, Manager Education

COMMISSION HIGHLIGHTS FOR 1994-5

- The ICAC's latest Community Attitude Survey showed 91 per cent of respondents considered corruption a problem in the NSW public sector. Only four per cent said it was not a concern (p34).
- Commissioner O'Keefe's *Directions 1995 and Beyond* paper broadened the focus of the ICAC's work, increasing interaction with the public sector and the private sector and emphasising the interface between the two. While investigation remains a core Commission function, more emphasis is directed to corruption prevention and education (p4).
- A new Corporate Plan and the ICAC's first Strategic Plan established the framework and detail of how the aims in *Directions 1995 and Beyond* will be achieved (p4).
- An enterprise agreement was negotiated with the Commission's staff, providing significant changes in employment conditions, a single salary classification structure and improved career and training opportunities (p37).
- To enhance communication and consultation between staff and senior management, a Commission Consultative Group was established. It meets monthly (p38).

Commissioner Barry O'Keefe at the media launch of an investigative report



COMMISSIONER'S OVERVIEW

The past 12 months have been significant in the life of the ICAC. A lengthy period without a permanent Commissioner had taken its toll on the Commission but a new start has provided an opportunity to assess and respond to changing circumstances. The 7½ months since my appointment as Commissioner have been very busy. Five public hearings have been embarked upon and major internal and external changes have been made. These have expanded the Commission's focus and operational capabilities.

Exposing and minimising NSW public sector corruption remains the ICAC's basic charter. The most important questions for me as the new Commissioner have been to determine the organisation's direction for the next five years, how best to achieve this, and how should limited resources best be applied in the interests of the people of NSW.

The approach decided upon was outlined to a gathering of more than 100 NSW public sector chief executives and senior members of the business community in February. Greater interaction with both these groups was clearly marked out as a Commission priority.

Extensive consultation internally and externally enabled many of the issues to be worked through and a framework for action to be developed. This manifested itself in a new Corporate Plan and a first ICAC Strategic Plan. Both were approved on 30 June, the former to cover 1995-98 and the latter to cover 1995-96.

Investigative work will continue as a major consumer of Commission resources. Effective investigation is vital to the success of our fight against corruption. However, a more integrated approach involving augmented

corruption prevention and education resources will allow the Commission to address quickly any systemic problems highlighted during an investigation. It will also allow us to devise appropriate education strategies that will ensure implementation of changes in the agency or agencies concerned. Consultation, co-operation, systems changes and education are to be stressed and to be combined with exposure of corrupt conduct by the use of all legitimate modern investigative methods. Each has its place, each an important role to play.

The changes in organisational structure have brought corruption prevention and education resources under one program director. This consolidation of service orientated and externally focused functions into a single unit enables better provision of assistance to Commission clients and strengthens our integrated approach to the prevention of corruption. Working more closely with Government agencies will increase the Commission's effectiveness in bringing about systemic changes that minimise corruption opportunities and quickly identify those who are failing in probity.

The private sector is increasingly invited by Government to provide public infrastructure—rail and road and the Sydney Olympic Games are some of the more prominent examples. This has led the Commission to step up its assistance in such areas.

Many ICAC initiatives need to be underpinned by quality data. Consequently, the Commission's research staff has been doubled and work has begun on developing a stronger strategic analysis capability.

The negotiation of an enterprise agreement with staff was a significant

COMMISSIONER'S OVERVIEW

achievement, all the more so as it was achieved during the period when there was no permanent commissioner. I acknowledge the work done by Acting Commissioners John Mant and the Hon Kevin Holland, QC, in keeping the ICAC focused on its core responsibilities during that difficult period. I thank them most sincerely for their dedicated work.

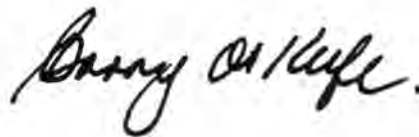
In addition to significant personnel changes, the Commission has seen a new, albeit temporary, entity in the operational landscape with the establishment of the Royal Commission into the NSW Police Service. In this regard, I welcome the Premier's public commitment to a strong and active ICAC. The Royal Commission is significantly advancing the time for the achievement of the longer term objectives of ICAC in relation to the Police Service. To assist the Royal Commission, our information concerning police corruption (including material relating to police protection of paedophiles and police corruption at Kings Cross) were provided to the Royal Commission. There has been frequent ongoing liaison between the ICAC and the Royal Commission, as well as exchange of information and discussion between Justice Wood and me.

The ICAC has continued its work in relation to the Police Service. Our investigation and public hearing into the Police Airwing's allocation of approximately \$3.5 million in work to one aeroplane charter company is one example. The ICAC is also assisting and monitoring the implementation of recommendations arising from the Commission's *Report on the Investigation into the Relationship Between Police and Criminals*, as well as dealing with reports and complaints relating to police.

The ICAC, essentially a standing royal commission with the added capability to monitor and report on systems change, is the appropriate body to ensure implementation of any recommendations coming from the Royal Commission. It has the structure, the expertise, the experience. It also has the will to succeed—beginning with me as Commissioner, and extending throughout the staff.

The organisational changes which have been implemented over the past 7½ months have the Commission well placed to respond to the ongoing demands of exposing and minimising corruption. The Commission will continue to monitor the NSW public sector environment and adjust its strategies as necessary to meet changing circumstances and the increased sophistication of those who engage in, or are tempted to engage in, corrupt conduct.

Assuming the leadership of the Commission has been a major challenge for me. I have been well supported by a motivated and highly skilled staff, who will continue to perform the Commission's important work for the people of NSW as our statute mandates.



THE ICAC's corruption prevention work aims to promote public sector integrity through the improvement of systems, policies and procedures. The ultimate aim is to minimise corruption opportunities and corrupt behaviour.

Corruption prevention work in 1994-95 is described under the following sub-headings:

- strategic prevention;
- prevention advice;
- public sector/private sector interface;
- facilitating change.

Corruption prevention projects completed in or in progress at the end of the reporting period are listed in Appendix 2.

STRATEGIC PREVENTION

Leigh Elliott, Corruption Prevention, and Anita Hansen, Education, work together on the production of the publication Contracting for Services

These activities focus on sector-wide or near sector-wide needs and include participation with central policy making agencies in developing guidelines for the public sector.

PUBLIC SECTOR CODES OF CONDUCT REVIEW

In 1994, the ICAC and the Premier's Department conducted a review of agencies' efforts to develop codes of conduct. Agencies had been asked in 1991 to draft their own codes to reflect corporate values and provide guidance to staff when making decisions requiring consideration of probity issues—such as conflicts of interest or accepting gifts and benefits.

The review found 98 per cent of agencies had adopted codes, most in consultation with staff. Eighty two per cent of these agencies intended to review their code to ensure its continuing relevance.



CO-OPERATIVE EFFORTS WITH CENTRAL POLICY AGENCIES

The Commission provided advice to, or worked with, central agencies on the following systems:

- internal audit and control systems—advice to NSW Treasury on best practice guidelines;
- procurement and disposal guidelines—developed with Premier's Department, Commercial Services Group, Property Services Group and Department of Public Works. Define requirements and expectations for agencies and private sector suppliers of goods and services;
- good conduct and administrative practice guidelines for public sector agencies and for local government—advice to the Ombudsman on a draft developed by their office;
- development control guidelines in local government—involvement in a working party chaired by Department of Urban Affairs and Planning in response to a recommendation in the Commission's report on Randwick City Council;
- internal reporting systems—to assist implementation of the *Protected Disclosures Act*, the Commission worked with the Auditor-General and the Ombudsman to produce guidelines on internal reporting systems. The guidelines are designed to assist organisations seeking to establish effective means of receiving and acting on reports from their staff about corruption, maladministration or serious or substantial waste. They also suggest approaches to ensure no detrimental action is taken against staff for making disclosures. The guidelines were launched in February;

1 PREVENTION SERVICES

- contracting for services—the Attorney-General's Department and the Property Services Group assisted in a project to develop a framework for establishing policies, systems and procedures aimed at ensuring integrity in contracting for services. Such services include legal opinions, information technology, medical and research services, environmental impact statements, architectural and engineering advice and human resource functions. The project resulted in the publication of a booklet in May entitled *Contracting for Services: The Probity Perspective*. As well as going to all public sector agencies, the booklet has been sent to private sector organisations likely to contract services to government. This ensured the probity standards expected by government were known.

FRAUD AND CORRUPTION PREVENTION FORUM ESTABLISHED

ICAC assisted in the establishment of a Fraud and Corruption Prevention Forum for NSW public sector organisations. The forum encourages regular information sharing for those with corruption prevention responsibilities.

More than 100 people from 60 agencies attended the forum's first meeting in April. As the keynote speaker, Commissioner O'Keefe outlined the growth in corruption prevention activities in the NSW public sector in recent years and encouraged the Forum to promote that growth further.

IMPROVING MANAGEMENT LEADERSHIP FOR ETHICS AND ACCOUNTABILITY

Last year's report referred to joint work with the Department of Health aimed at establishing a training program for

managers and supervisors on *Ethics and Accountability in NSW Health*. The package was launched in August.

A sector-wide need for this type of ethics program was highlighted by the success of the package. Work has commenced with the Premier's Department in an effort to extend the use of such material across the state sector.



Peter Gifford, Director, Corruption Prevention opens a forum involving a range of public sector agencies, to discuss ethics and accountability training needs

PREVENTION ADVICE

Public sector agencies continue to seek advice and assistance on policies, procedures and work practices with a view to reducing the likelihood of the occurrence of corrupt conduct. Other opportunities for ICAC to provide advice arise from investigations which identify corrupt conduct and methods of work or procedures which may be conducive to corrupt conduct. Some examples are:

- Harness Racing Authority—a strategy was developed for ongoing corruption prevention work with the Harness Racing Authority. The Authority established a steering committee including a Commission representative to oversee policy and procedural changes designed to reduce corruption opportunities within the organisation and the harness racing industry;
- Port Stephens Council—prevention work commenced in May and is addressing issues identified during a Commission investigation. The work aims to facilitate systems improvement and cultural change and supports Council's current program of organisational reform;
- NSW Roads and Traffic Authority (RTA) property disposal—the Commission assisted the RTA authority as it developed new procedures for the sale of surplus properties following the Commission's investigation of this matter. The Commission will monitor implementation of these procedures late in 1995; and
- Olympic Games probity—to ensure probity in the spending of hundreds of millions of dollars on infrastructure for the Sydney Olympic Games, the Commission responded to requests for corruption prevention advice in the design of tender selection processes for construction of sporting and accommodation facilities. This input has contributed to ensuring impartiality and probity during the project development, tender selection and contracting phases.

PUBLIC SECTOR/PRIVATE SECTOR INTERFACE

This is an area of growing significance at state and local government levels. The Commission seeks to achieve a better understanding of the issues relevant to ensuring a high standard of integrity and accountability in joint public/private sector activities and projects. Probity issues can arise in a whole range of activities.

A number of the projects and advice matters referred to above contributed to achieving the aims in this area, including procurement and disposal guidelines, contracting for services, Olympic Games probity and RTA property disposal. Other activities serving these goals included:

- advice to RTA on proposed widening of the M4 tollway; and
- advice to Department of Transport on aspects of opening the Hunter Valley rail coal haulage system to private operators and on the Southern Sydney Rail Link.

The focus of work in this area in 1995–96 will be on education and prevention. It will involve extensive consultation with representatives from both sectors.

FACILITATING CHANGE

Involvement in seminars, workshops and other training activities promotes better knowledge and understanding of probity and accountability within the public sector. It also facilitates the operation of corruption prevention strategies in organisations.

ICAC staff made presentations at more than 40 seminars and conferences during 1994–95. Those seminars and similar functions are listed in Appendix 3.

1 PREVENTION SERVICES

Seminars help ensure the Commission reaches a wide variety of employees and managers in the public sector. Such presentations are often organised in response to requests from government agencies and peak organisations. The ICAC's strategy of working more co-operatively with the private sector led to a rise in presentation requests during 1994-95.



Warwick Smith, Chris Leeds, Tiffany Blackett and Rebecca Hill, Corruption Prevention, plan seminars for presentation to public sector audiences



The Commission's own program of seminars throughout metropolitan and regional NSW included presentations in Lismore, Broken Hill, Wollongong, Parramatta and central Sydney. These full day seminars focused specifically on corruption prevention strategies which can be implemented in the workplace to identify and minimise opportunities for corruption.

Participants were able to discuss issues unique to their own organisation and seek advice from Commission staff. Seminars also provide an opportunity for

participants to make contact with, and benefit from the experience of, other public officials.

Monitoring earlier ICAC work is an essential corruption prevention strategy. It measures management responses to areas of risk identified by the ICAC, and the usefulness and practicality of the recommendations made in that earlier work.

REVIEW OF ICAC SPONSORSHIP PRINCIPLES

In November 1993, the Commission published ten guiding principles for public sector agencies seeking and managing private sector sponsorship of government services. To determine the practicality of the principles, and to assess their continuing relevance, a review was conducted in the past year.

Requests to the Commission for advice in this area were analysed, feedback from the public and private sectors was sought through a survey, and a workshop was held to discuss issues identified. *Review of the ICAC Sponsorship Principles*, which summarises the findings and sets out revised principles, will be published later this year.

CORRUPTION PREVENTION AND PLANT HIRE-AN EVALUATION

The ICAC's 1992 *Plant Hire (Heavy Machinery) Report* listed basic recommendations for maintaining integrity in the plant hire process. The report resulted from a corruption prevention project examining plant hire policies and suggesting procedures for identifying opportunities for corrupt conduct. The report also proposed changes to systems and practices which would lead to greater integrity in the plant hire process.

With assistance from the Local Government and Shires Associations, the Commission obtained feedback on the relevance and practicality of the recommendations contained in the report. This showed that the report clearly identified potential weaknesses in plant hire procedures and remained relevant to the management of plant operations.

Results of the survey appeared in *Corruption Prevention and Plant Hire—An Evaluation* in October and revealed that 61 per cent of councils throughout NSW had tightened their plant hire policies in accordance with ICAC recommendations.

IMPLEMENTATION OF RECOMMENDATIONS FROM THE INVESTIGATION INTO THE RELATIONSHIP BETWEEN POLICE AND CRIMINALS

The second *Milloo* report, published in April 1994, contained 16 recommendations for system or policy improvement in the NSW Police Service. These generally related to the management of police informants, the management of criminal investigations, the conduct of prosecutions and the handling of complaints against police officers.

To facilitate the implementation of these recommendations, a joint monitoring committee was established, comprising representatives from the police and the ICAC. Progress has been made toward establishing a basis for sound policies and practices governing the management of criminal investigations and other related issues.

Implementation will continue to be monitored through 1995 and into 1996.

REVIEW OF ICAC INVESTIGATION REPORT RECOMMENDATIONS

A Commission project reviewing the implementation of its investigation report recommendations concluded in February. The purpose was to identify and document the nature, scope and extent of changes in the public sector and elsewhere which had resulted from formal investigation report recommendations of a legislative or systemic nature.

Over half (60 per cent) of the Commission's recommendations in its first 29 published investigation reports were implemented. In total, the ICAC made 97 recommendations, 35 of which were for legislative change and 62 for systemic change. Of the legislative changes, 40 per cent had been implemented, while 71 per cent of systemic recommendations had been adopted.

The information collected shows that the ICAC, through its formal investigation report recommendations, has been a catalyst for significant change in the public sector.

2 COMMUNITY RELATIONS

THE community has a significant interest in, and significant ability to affect, the work of the ICAC. Accordingly, the ICAC aims to support community demand for a public sector that carries out its duties with integrity, with strategies to motivate and enable people to act against corruption in the public sector.

Community relations activities in 1994–95 are described below under the following headings:

- formal and professional education;
- the community;
- media relations.

Resources allocated to these activities have expanded during the past year, with further growth to occur in 1995–96. This development reflects the increased emphasis on raising awareness of the detrimental effects of corruption.

FORMAL & PROFESSIONAL EDUCATION

The ICAC has actively sought opportunities to contribute to school and TAFE curricula. The Commission also pursued the inclusion of probity and ethics issues in universities, professional and vocational training. With support from institutions, relevant curricula are identified and resourced with appropriate materials. In this way, ethical considerations are structured into educational and professional development contexts, and made relevant to graduates in their vocations.

The NSW Board of Studies and Legal Studies teachers supported the Commission's efforts to develop and distribute a teaching resource kit designed to facilitate instruction of the *Individual and the State* section of the HSC Legal Studies syllabus.

Included in the kit are a video and a teacher's handbook. The material encourages students to address corruption issues and, as individuals, to help ensure corruption is prevented through their own responsible actions.



Board of Studies, Business Studies teachers, private sector and ICAC representatives meet as members of the Business Studies Advisory Group

The kit focuses in part on the effects of corruption and the responses of individuals to such behaviour. It supports interactive and constructive classroom learning through independent, self-paced research activities and encourages the development of attitudes and values.

All NSW high schools teaching Legal Studies received a free copy of the education kit. Other interested parties can buy the kit. The kit was trialled with school students and outlined to Legal



Legal Studies teaching resource kit: The Individual and the State

Studies teachers at their annual conference in October. Feedback to date has been positive. Formal evaluation of the kit's effectiveness will be undertaken by the Research Section in 1995-96.

Following the successful launch of the kit, the Commission asked the Board of Studies and Department of School Education to identify new areas where the development of resource materials would be mutually advantageous. The HSC Business Studies syllabus and the Civics component of the draft K-6 HSIE (Human Society and its Environment) curriculum were identified.

Project work on material for the Business Studies course began in June. The material will support the teaching of attitude and value outcomes of the syllabus, rather than any particular component of the curriculum. Expert advice and assistance for this project is being supplied by an advisory group comprising a Board of Studies representative, social science head teachers, a representative of the Economics and Business Educators' Association and private sector representatives.

Work to identify professional and peak bodies which the Commission could form strategic relationships was initiated in April, beginning with the Institute of Chartered Accountants. This will identify opportunities for joint work and the launch of projects.

THE COMMUNITY

The Commission is working to build community demand for a public sector which performs its duties with integrity and working to strengthen the public's motivation to act against corruption. Materials to communicate these

messages are developed and delivered to target audiences.

COMMUNICATIONS

The ICAC corporate video was used extensively in corruption prevention and education work within the public sector and the community in the reporting period.



Filming of the ICAC Corporate Video

VISITORS

The ICAC has hosted international, interstate and other visitors interested in its operation. Among the international visitors were:

- Norifumi Takeda, Public Prosecutor, the Sapporo district Public Prosecutor's Office in Japan, came to research aspects of Australia's criminal justice system;
- Mr O P Chadda, National President of the Anti-corruption Association of India came to consider corruption prevention models that might apply in India;
- A group of 20 Vietnamese Lawyers from the Vietnamese Ministry of Justice and legal education institutions undertaking a Western Law Course at Sydney University were addressed by the Commissioner;

- A delegation of officials from the Russian Federation including the Minister for Justice, the Deputy Attorney General, the Chairman of the Supreme Court, the First Deputy Chairman of the Supreme Arbitration Court, the Deputy Minister of the Interior and the Assistant to the Minister for Justice met with senior Commission officers. The delegation explored opportunities for co-operative arrangements between government law/justice jurisdictions in Russia and Australia;



Paul Seshold, Executive Director with Russian visitors Vieniamin Yackovlev and Valentin Kovalyov

- Andrew Foster, Controller UK Audit Commission for Local Authorities and health.

PUBLICATIONS

Eleven reports and discussion papers were published by the Commission during 1994-95. These are listed in Appendix 4. This brings to 65 the number of such documents produced since the ICAC's inception.

Publications also included a joint ICAC-Commercial Services Group brochure explaining public sector tendering requirements to the private sector. The brochure met with a favourable response at a 'Meet the Buyers' event in June and

several government departments have requested copies to include in tender briefs. The Commission will distribute the brochure throughout the public sector.

All ICAC publications are available free of charge. They are distributed to all public sector agencies, selected libraries, educational institutions and individuals who have sought inclusion on the mailing list. Electronic publication via the Internet is also being examined.

MEDIA RELATIONS

Effective relations with the media are essential if the Commission is to convey its achievements to the community and thereby maintain support for and understanding of its work. The Media Manager liaises extensively within the Commission to ensure responses to questions from journalists are addressed quickly and accurate news coverage is generated. As an agency which promotes openness and accountability, the Commission works closely and as co-operatively as possible with the media.

Extensive assistance is given to journalists covering Commission hearings, including provision of transcript and copies of exhibits. Special seating is provided in the major hearing room. A separate workroom is provided for journalists attending hearings or the release of ICAC reports.

To ensure greater community awareness of the Commission's wider ranging activities, particular emphasis was placed on publicising the release of prevention and education reports or other activities.

Several joint media conferences were held between the ICAC and NSW public

sector agencies to promote probity initiatives. These included the Ombudsman, the Auditor-General, the Department of School Education, the Health Department, and Gosford City Council. The NSW Local Government Association was involved in a joint media conference.

Nineteen media statements were issued by the Commission in 1994–95. They are listed in Appendix 5.



The media plays a key role in publicising ICAC initiatives

THE ICAC investigates possible corruption in order to determine whether and how corrupt conduct has occurred. Information produced by investigations is used to develop the systems change required to prevent or deter the recurrence of corruption.

Investigating allegations of corruption is one of the ICAC's principal functions. It is primarily the responsibility of two program areas—Investigation Services and Legal Services.

An investigation may be commenced by the Commission as a result of one of the following:

- a report made by the head of a public sector agency;
- a complaint made by any person;
- the ICAC's own initiative;
- a reference from both Houses of the NSW Parliament.

A matter referred by Parliament must be investigated. Otherwise, the Commission has the discretion to decide whether or not to conduct an investigation. Note exact that in relation to complaints, the Operation Review Committee (ORC) must be consulted. (The ORC's function and composition are described elsewhere in this chapter.)

The Commission's new Corporate and Strategic Plans maintain the strong role of the Commission's investigation function in exposing corrupt conduct. Greater emphasis, though, has been given to determining what matters are investigated and how they are pursued.

Peter Darlaston, Director of Investigations, in consultation with Investigations staff John Williams–Mosely and Karen Williams



INVESTIGATION Services is concerned with the management of complaints and reports of corrupt conduct received by the Commission. In addition, it works to increase the public sector's ability to deal effectively with corrupt conduct allegations.

The Investigation Department was expanded by the incorporation of the Commission's Assessments Unit during the year.

The Investigation Services work is described under the following sub-headings:

- pro-active approach; and
- reactive approach.

PRO-ACTIVE APPROACH

The Commission must concentrate resources on matters which have a broad impact across the public sector. The pro-active approach aims to target areas of possible corruption so as to maximise the benefit the public sector and the community receive from the ICAC's investigative work. This is achieved through using the Commission's analytical skills to identify suitable matters.

REACTIVE APPROACH

The Commission also maintains a strong reactive investigative capability. This involves investigating allegations and reports of corrupt conduct. Significant results were achieved during 1994-95, including inquiries into corrupt behaviour of an RTA officer selling surplus real estate, and ongoing inquiries into alleged corrupt dealings of a former Fairfield City Council Deputy Mayor.

A large amount of information from complaints from the community and reports from public authorities was received by the Commission in 1994-95. These matters can be separated into three main categories:

- complaints of corrupt conduct from members of the public. These are received by letter, telephone or personal interview in accordance with Section 10 of the ICAC Act;
- reports of corrupt conduct from principal officers of public authorities received by letter. Such reports are mandatory under Section 11 of the ICAC Act, which obliges the principal officer of a public authority to report "any matter that the officer suspects on reasonable grounds concerns or may concern corrupt conduct"; and
- reports of corrupt conduct from principal officers of public authorities received by schedule. This is the regular notification of large number of matters, many minor in nature. Such reporting comes from, among others, the Police Service and Department of Local Government.

CATEGORISATION OF MATTERS

Individual matters dealt with by the Commission (those not on a schedule) are classified according to the following nine categories:

- *complaints* come from the public and are matters which concern or may concern corrupt conduct by any person, as long as that conduct adversely affects or could adversely affect, directly or indirectly, the honest or impartial exercise of official functions by any public official or public authority;

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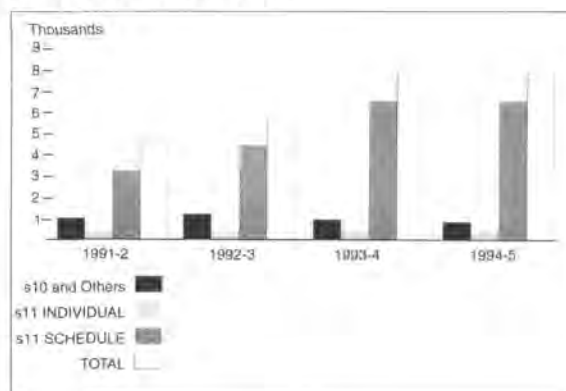
- *reports* relate to the duty of principal officers of public authorities, under s11 of the ICAC Act, to report a matter where there is reasonable suspicion that it concerns or may concern corruption;
- *information* covers matters which of themselves do not constitute a complaint about corrupt conduct but do convey information about a circumstance or situation with the potential for corruption;
- *enquiry* is where information is being sought from the Commission, usually by a member of the public, often as to whether a particular situation might indicate corrupt conduct;
- *dissemination* refers to information provided by other government agencies (not being NSW public authorities) which may relate to corrupt conduct. Such agencies include the National Crime Authority, the Australian Federal Police and the Commonwealth Ombudsman;
- *own initiative* describes those matters initiated by the Commission without a complaint or report being received. Such matters may be prompted by media reports for example;
- *referral from Parliament* relates to a provision of the ICAC Act for the

NSW Parliament, by resolution of each House, to refer a matter for investigation to the Commission;

- *protected disclosure* refers to a matter received by the Commission under the *Protected Disclosures Act 1994*. The Act, which in certain circumstances protects public sector employees from "detrimental action" by an agency they complain about, lists the ICAC as an agency which can receive such disclosures; and
- *outside jurisdiction* classifies matters which do not involve either corrupt conduct or NSW public officials, or do not relate to the functions of the Commission. Where possible, persons making complaints outside Commission jurisdiction are referred to an appropriate agency.

The total number of matters received by the Commission has increased in each of the last three years, as shown in the following graph:

Complaints and Reports



Peter Darlaston, Director of Investigations discusses the management of inquiries with Sue Nevan-Taylor and other team members

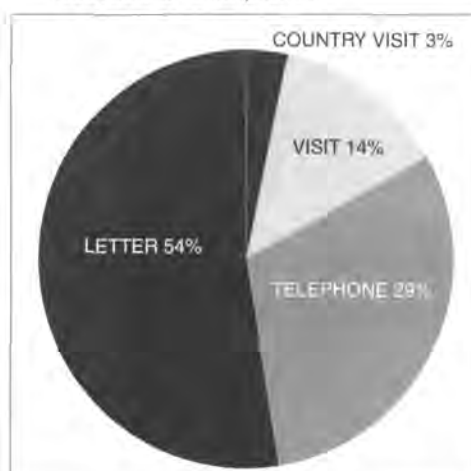
COMPLAINTS FROM THE PUBLIC

Complaints from the public increased by 12 per cent (642 to 724) in comparison to the previous reporting period.

MODE OF COMPLAINTS

Complaints are received by letter, telephone or personal visits. The percentage breakdown is as follows:

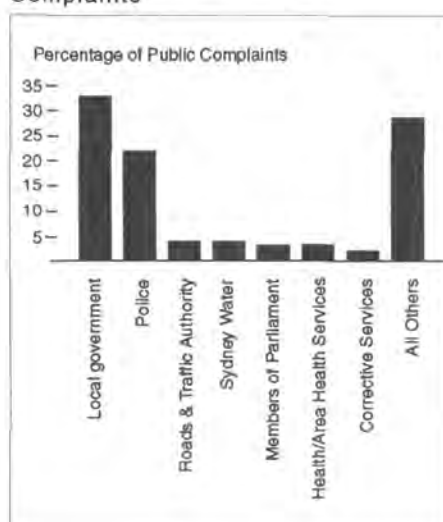
Sources of Complaints



PUBLIC AUTHORITIES SUBJECT TO COMPLAINTS

The public authorities subject to complaints from the public were:

Agencies Subject to Public Complaints



REPORTS FROM NSW PUBLIC AUTHORITIES

During 1994-95 the Commission continued work to improve liaison and working relationships with the public sector. This resulted in significant increases in the number of matters reported on an individual basis or via schedules. A 20 per cent rise in individually reported matters (318 to 383) and a 14 per cent increase for scheduled matters (5927 to 6742) were recorded over year (compared to 1993-94).

The Ombudsman's Office requires special mention because it is the source of a significant number of reports. Reports from most public authorities relate to possible corrupt conduct within the reporting authority. The Ombudsman, however, also receives many complaints about public authorities. When complaints appear to relate to corrupt conduct the Ombudsman refers them to the Commission. The large number of such reports from the Ombudsman is indicated in the graph below.

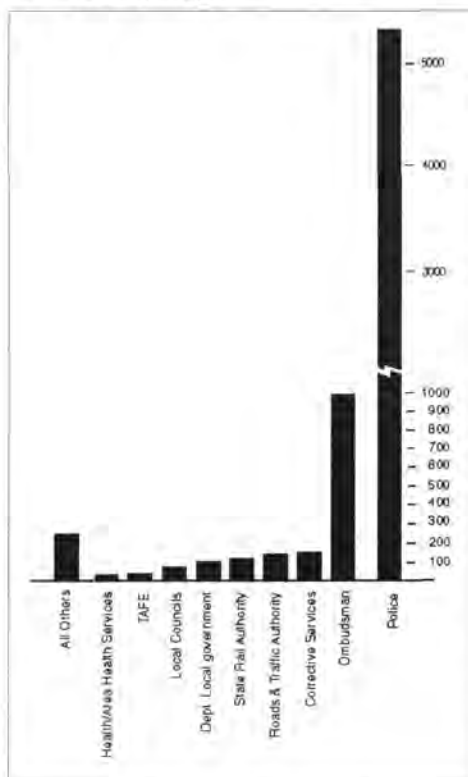
Commission liaison officers are nominated for various agencies and maintain regular contact to assist with reporting and general enquiries.

Figures from agencies reporting a large number of matters are shown on the following graph:

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Number of Matters Reported Under s11 (by Agency)



to the Commission and the Director of Corruption Prevention.

Using criteria referred to above, the panel decides which matters should be investigated, referred to other agencies for examination, or not pursued further. The panel's decisions in relation to s10 complaints must be referred to the ORC (see page 31).

A matter involving a potential investigation is referred to the Assessments Section for initial enquiries and further research. Once this has been done, the matter is re-assessed and may then be referred for investigation.

From the outset, some matters appear to require immediate Commission action and are referred by the panel directly to the Investigation Department.

The Commission completed preliminary inquiries on 263 matters during the year and referred them to the ORC with a recommendation that they not be further investigated.

FORMAL INVESTIGATIONS

THE ASSESSMENT PROCESS

Each report or complaint is assessed against criteria developed to ensure the ICAC Act, the Commission's Corporate Plan and operational strategy are taken into account. An information brochure is made available to complainants to assist their understanding of the Commission's decision making process.

To improve the initial determination of which matters should be investigated by the Commission, a three-member Assessment Panel was established in October. The panel, which meets four times a week and is assisted by the Assessments Manager, comprises the Director of Investigations, the Solicitor

The Commission has adopted an internal procedure to ensure its considerable powers are used only when appropriate. Scope and purpose documents are drafted to establish the parameters of an investigation. These are signed by the Commissioner at the start of each investigation in which coercive powers are to be used. Such investigations are referred to as formal investigations. The term will also often indicate the commitment of significant resources to an investigation.

**COMPLETED FORMAL
INVESTIGATIONS NOT RESULTING
IN A PUBLIC REPORT**

Operation 72

Responding to a significant number of complaints over time, the Commission examined the conduct of officials associated with the NSW Harness Racing Authority (HRA). Enquiries revealed that the perception of corruption held by many industry participants arose from a historical stigma of misconduct within the sport. This stigma seemed to date from events prior to establishment of the HRA as harness racing's administrative body.



Graham Dickman, Investigator and John Feneley, Solicitor to the Commission discuss the progress of a formal investigation

Enquiries were unable to substantiate alleged corrupt conduct by public officials but did identify systemic and procedural issues which formed the basis of some Corruption Prevention Services work. The ICAC is now working with the HRA to reduce opportunities for corrupt conduct and to restore confidence in the industry.

**COMPLETED FORMAL
INVESTIGATIONS WHICH RESULTED
IN A PUBLIC REPORT**

*Inquiry in Relation to the Treatment of
Staff Complaints in a Minister's Office-
August*

The report in relation to this matter found no improper treatment by senior public servants of staff at the office of the former NSW Police Minister Terry Griffiths.

Inquiries were conducted into allegations that:

- a person or persons offered inducements to staff in the former Minister's office to secure their silence in relation to alleged behaviour by Mr. Griffiths; and
- the former Minister's chief-of-staff asked staff involved to shred a memorandum detailing grievances against Mr. Griffiths.

The report concluded that no inducements were offered to the former Minister's staff to discourage them from making any formal complaint and no documents were destroyed in improper circumstances.

*Interim Report into Alleged Police
Protection of Paedophiles-September*

This investigation, which was referred by both Houses of Parliament, focused on whether NSW police officers had by act or omission protected paedophiles. At the time of the Commission's interim report, which was due by 1 October, investigations were continuing. For reasons of fairness to individuals and operational security, the report did not comment on the conduct of any person or draw conclusions about the adequacy of police investigations. Instead, the

report concentrated on the ICAC's approach to the investigation, its progress and future direction.

Parliament revoked the ICAC's terms of reference on 2 December and referred the investigation to the Royal Commission into the NSW Police Service. The Commission ceased work on the investigation and disseminated relevant holdings to the Royal Commission.

Report on the Investigation into the RTA and Property Disposal—February

This investigation examined the conduct of an officer employed by the RTA in the property sales section to dispose of surplus real estate. Bruce Oslington QC was appointed Assistant Commissioner for the purpose of the investigation. The report found that the officer concerned had taken advantage of flawed RTA procedures to solicit and receive payments from four real estate agents. The agents believed this money helped them obtain property listings from the RTA.

Following the report, the RTA worked with the Commission to address issues of concern. The ICAC will monitor the progress of these reforms and examine their applicability to the many other government agencies that sell surplus real estate. (See also the work done in Prevention Services Chapter).

Report on Investigation into Randwick City Council—February

This investigation involved the behaviour of councillors and officers of Randwick City Council in the processing of development/building applications and the relationship between councillors, officers and developers. Assistant Commissioner John Mant presided at the

hearings, which were conducted over 12 months from late 1993.

Assistant Commissioner Mant concluded that a number of people had engaged in corrupt conduct, including council's former director of planning Vincent Messina and Councillor Charles Matthews. The Commission expressed the opinion that prosecution of both persons should be considered.

The report also contained important recommendations for change to the operation of NSW planning and development control systems and the conduct of councillors and council staff. The former recommendations aim to increase transparency and effectiveness of the planning and development control system. They will reduce corruption by making processes more open to public scrutiny and by clearly setting out what processes need to be followed.

Recommendations relating to conduct by councillors and staff are intended to bring about increased accountability and reduce the likelihood of conflicts of interest arising in the exercise of official functions.

Report on Investigation into Circumstances Surrounding the Payment of a Parliamentary Pension to Mr P M Smiles—February

Mr Phillip Smiles resigned from the NSW Parliament on 21 December 1993, the day he was convicted of tax offences. The conviction is being appealed. On 25 January 1994, his application for a superannuation pension was approved by the Parliamentary Contributory Superannuation Fund Trustees and converted to a lump sum in April 1994.

Under the *Constitution Act 1902*, a Parliamentarian convicted of an

'infamous crime' becomes ineligible to sit in the House. Under the *Parliamentary Contributory Superannuation Act 1971*, the member is able only to receive amounts deducted from his or her salary.

The Commission investigated the circumstances surrounding the payment of Mr Smiles' pension. The report found no evidence of corrupt conduct by any person in the payment from the Parliamentary Contributory Superannuation Fund.

The report found, however, that the law as to the consequences under section 13A(e) of the *Constitution Act 1902* concerning the conviction of a Member of either House is unclear and in need of clarification. The report identifies a number of other matters requiring attention. The Commission will deliver a further report in relation to the above matters.

CONTINUING FORMAL INVESTIGATIONS

Investigation 69

Allegations that a former employee of a public authority received corrupt payments in return for allocating work to a preferred cleaning contractor are the subject of this inquiry. It is suspected that significant overcharging by the contractor resulted from the arrangement.

Investigation 70

This enquiry, which began in 1994, is examining the conduct of councillors and council officers of Port Stephens Council in relation to the sale and purchase of land, the use of planning functions, and relationships with property developers. Particular emphasis is being given to conflicts of interest and systemic problems.

Investigation 76

The conduct of a former Fairfield City Council Deputy Mayor and his relationship with property developers is the subject of this investigation. The former councillor was also chairman of the Environmental Management Committee of the council and allegedly received substantial amounts of money for assisting certain developers with construction applications.

Public hearings began in June.

Investigation 79

The relationship between a former officer of the NSW Police Air Wing and an air charter company is being examined by this investigation. It is alleged that the charter company received more than \$3 million for services between 1984 and 1992 without a competitive tender being issued.

A private hearing was held in May and public hearings began in July.

Investigation 80

Relationships between property developers and Byron Shire Council officers and councillors are the subject of this investigation. Public hearings began at Ballina in May.

The council's draft residential release strategy and those areas identified for residential land development in Byron Shire have been under scrutiny.

Investigation 82

Allegations that an employee of a public authority received a payment to corruptly influence the exercise of their official duties is the subject of this investigation. A private hearing was held in May and public hearings are expected.

**EXTERNAL COST OF
INVESTIGATIONS**

The external costs (expenses outside permanent ICAC officers' salaries) of the investigations completed during 1994-95 are reported in Appendix 6.

**LIAISON WITH LAW ENFORCEMENT
AGENCIES**

In the course of its work, the ICAC liaises with State and Commonwealth law enforcement agencies which supply information and assistance. The Commission also exchanges information with these agencies.

During 1994-95, information and data were exchanged with the Australian Federal Police, the Australian Bureau of Criminal Intelligence, the National Crime Authority, the NSW Police Service, the Royal Commission into the NSW Police Service and the State Crime Commission. Liaison with the Police Royal Commission has been extensive and continuous since its establishment in late 1994.

Such contact opens important communication channels for the ICAC and the law enforcement agencies concerned. The Commission contributes to these channels through its extensive intelligence holdings.

**FOSTERING COMMITMENT WITH
OTHER AGENCIES**

The Investigation Department conducted a number of inquiries during 1994-95 which have been assisted greatly by public sector agencies or departments. An example of this was information supplied by the RTA for the investigation into the disposal of excess real estate.

Arrangements have been made for the 12 month secondment of a Commission

investigator to the Environment Protection Agency, starting in August 1995. Arrangements are continuing for a secondment/interchange with the Ombudsman's Office in 1995-96.

The short-term secondment of a Department of Local Government (DLG) investigator for enquiries into Port Stephens land dealings proved valuable in expanding the Commission's knowledge base. Other suitable matters have been jointly investigated with the DLG.

LEGAL Services covers legal, policy and strategic advice and services to the Commission. In particular, it ensures that the Commission's work is performed lawfully and fairly. This is important because wide investigative powers have been given to the Commission under the ICAC Act 1988. This was a direct result of the realisation that previous methods had been ineffective in fighting public sector corruption.

In exercising its powers and discharging its responsibilities, the Commission must act, and be seen to act, in an accountable, principled and lawful manner. This is particularly important in the conduct of investigations and hearings and in the manner in which the Commission reports on its work.

The lawyers' work includes advising on the use of the Commission's powers, preparing statutory processes for obtaining evidence, examining evidence obtained by investigators, liaising with witnesses, instructing Counsel Assisting in hearings and, at times, appearing as Counsel Assisting in hearings. At the conclusion of investigations, lawyers work closely with the presiding Commissioner to prepare the investigation report. The lawyers also participate in, and at times lead, multi-disciplinary investigation teams.

The Legal Department is responsible for liaising with and dealing with requests from the Parliamentary Joint Committee (see page 26) and providing secretariat services to the Operations Review Committee (see page 31). These two Committees are the Commission's primary accountability bodies. With respect to its ORC duties, Legal Services became responsible for this work in February following the disbanding of the

Operational Services Department. The Legal Department also conducts quality control reviews of reports to the ORC and organises an annual independent audit of reports to that Committee.

Legal liaises with the Director of Public Prosecutions and other public sector agencies in relation to any prosecutions or disciplinary actions commenced following an investigation. It maintains a database of these matters. Legal also represents the Commission in litigation.

POWERS

A public authority or public official may be required by the Commission to provide a statement of information (under s21 of the ICAC Act) and any person may be required to produce specific documents or things (s22).

Both powers are exercised by written notice. The Commission issued 17 s21 notices and 114 s22 notices during the reporting period.

ICAC officers authorised in writing by the Commissioner, may enter specific premises occupied by a public authority or public official, inspect any document or thing in the premises and copy any document (s23). No s23 notices were issued in 1994-95.

Upon application by an ICAC officer, an authorised justice or the Commissioner may issue a search warrant if satisfied that reasonable grounds exist for doing so (s40). An officer may apply for a search warrant to enter premises in which he or she reasonably believes there are things connected with an ICAC investigation. The Commission continued its policy of generally obtaining search warrants only from authorised justices. No warrants were issued by the Commissioner, while

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28 warrants were sought and obtained from authorised justices during 1994–95.

Section 19 of the ICAC Act allows the Commission to apply for a warrant to use a device under the *Listening Devices Act 1984*. One such warrant was obtained from a NSW Supreme Court judge during the reporting period.

Recording of telephone calls is available to the Commission under the *Telecommunications (Interceptions) Act 1979*, provided a warrant is obtained that relates to the investigation of specific offences mentioned in the Act. As these offences do not include corruption, the Commission's use of this power is limited. No warrant was sought from the Federal Court during 1994–95.

To ensure statutory compliance, the NSW Ombudsman is required to inspect the ICAC's records in relation to telephone interception activities. Such inspections during 1994–95 were conducted on 6 April and 22 June.

HEARINGS

Hearings are held for the purpose of an investigation. The Commission can summon a person to give evidence and produce documents. Seventy-eight such summonses were made. Prisoners can be directed by the Commission to appear before it. No orders were made to the Department of Corrective Services in 1994–95.

The Commissioner or an Assistant Commissioner conducts hearings. Hearings can be public, private or a combination of both. In deciding whether to hold hearings in public or private, the Commission must have regard for any matter related to the public interest.

Persons allowed representation during a private hearing may be subject to direction by the Commission. The Commission may also prohibit publication of evidence. Legal representation is generally permitted for any witness at a hearing, while any person or group with a substantial and direct interest in the same matter may also be allowed representation.

The Commission has published a document outlining hearing procedures and matters for consideration when deciding if proceedings should be public or private. Copies are available on request.

When a public hearing occurs or an investigation originates from a Parliamentary reference, the Commission must provide a report to Parliament. Reports into any other ICAC investigation may also be prepared.

Hearings were held into eight matters during 1994–95.

John Feneley, Solicitor to the Commission with Personal Secretary, Deborah Foster in the Major Hearing Room



Hearing Days

Matter	Public Hearing Days	Private Hearing Days	Both
Byron Bay Council (No 80)	6	–	–
Phillip Smiles Pension (No 78)	6	–	–
Conduct of Guiseppe Morizzi (No 76)	2	1.5	2
RTA Property Sales (No 75)	5	2	–
Randwick City Council (No 61)	–	0.5	1
Police Air Wing (No 79)	–	1	–
A Local Council (No 82)	–	0.5	–
A Public Authority (No 77)	–	0.5	–
TOTAL	19	6	3

PROSECUTIONS AND DISCIPLINARY PROCEEDINGS

Prosecutions against 27 individuals were started in the reporting period as a result of ICAC investigations and reports. Disciplinary proceedings were commenced against two public officials named in Commission reports.

A list of prosecutions and disciplinary proceedings appears in Appendix 7.

PARLIAMENTARY COMMITTEE ON THE ICAC

The Parliamentary Committee on the ICAC was established under the ICAC Act to monitor and review Commission activities and to examine ICAC reports on relevant matters and trends in corrupt conduct. Reconsideration of ICAC operational decisions relating to investigations or complaints is not part of the Committee's role.

Committee members prior to the State election in March were:

Mr M Kerr MP (Chairman)

Mr B Gaudry MP

Mr J Hatton MP

Mr P Nagle MP

Mr J Turner MP

The Hon J Burnswoods MLC

The Hon D Gay MLC

The Hon S Mutch MLC

The current committee, formed on 30 May, has the following members:

Mr P Nagle MP (Chairman)

Ms R Meagher MP

Mr J Watkins MP

Mr P Lynch MP

Ms M Andrews MP

Mr J Turner MP

Ms K Chikarovski MP

Dr P MacDonald MP

The Hon D Gay MLC

The Hon I MacDonald MLC (Vice-Chairman)

The Hon B Vaughan MLC

The Committee's membership increased by three as a result of the *Parliamentary Committees Legislation Amendment Act 1995*.

The Committee usually requests the Commissioner to give evidence before it in public hearings twice yearly. It also enquires into areas of particular relevance to the work of the Commission and refers a small number of unsolicited complaints from the public about the ICAC to the Commission for comment and response.

Acting Commissioner John Mant appeared before the PJC on 3 August; Commissioner O'Keefe has been asked

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to give evidence to the Committee in September 1995.

LEGAL CHANGES AFFECTING THE COMMISSION

Independent Commission Against Corruption (Amendment) Act 1994

The amendment to the ICAC Act, which commenced on 20 January 1995, affects the status of Members of Parliament and Ministers in relation to the ICAC Act. There are two main changes:

The limitation on corrupt conduct

The definition of corrupt conduct in Section 8 of the ICAC Act is qualified by Section 9 of the Act. This section has been amended to ensure that a corrupt conduct finding could be made in appropriate circumstances against a Member of Parliament or a Minister.

Specifically, the amendment provides that conduct which involves a substantial breach of an applicable code of conduct may amount to corrupt conduct for the purposes of the ICAC Act. This resolves the legislative anomaly identified by the NSW Court of Appeal in *Greiner v ICAC* [1992] 28 NSWLR 125.

Development of applicable code of conduct

Currently, no applicable codes of conduct exist. The amendment provides for both Houses of Parliament to establish their own committees to draft the codes. Codes must be adopted within 12 months of the legislation becoming operative.

In the case of the Legislative Assembly's committee (known as the Standing Ethics Committee), provision has been made for community representation. The Committee, which will comprise six MPs and three community representatives, can request persons to appear before it

and can also request the production of documents.

Independent Commission Against Corruption (Commissioner) Act 1994

The NSW Parliament amended the ICAC Act in November as it related to conditions of appointment of a Supreme Court Judge as Commissioner.

Previously, a person was ineligible for appointment as ICAC Commissioner if he or she held judicial office. The amendment allowed the Commissioner to resume judicial office at the expiration of his or her time as ICAC head.

Protected Disclosures Act 1994

The *Protected Disclosures Act* (PDA) was passed by Parliament in late 1994. It arose out of community concern about adverse effects on public servants who provide information to their own agency or to agencies such as the ICAC. Several ICAC submissions on the legislation were made in the two years leading up to the legislation enactment.

Protection under the PDA is available to public sector employees who make disclosures voluntarily. To be protected, a disclosure must involve one of the following:

- corrupt conduct;
- maladministration; and
- serious and substantial waste of public money.

Additionally, a protected disclosure must be made via one of the following:

- an internal reporting system;
- the principal officer of an authority; and
- the ICAC, Ombudsman or Auditor-General.

Protection under the PDA guards against "detrimental action" being taken against the person making the disclosure by the agency involved. In addition, the person making the disclosure is protected against defamation action, disciplinary action and criminal liability for breach of a secrecy provision.

A disclosure will not be protected if it is made frivolously or vexatiously; is false or misleading; is made to avoid disciplinary action; or primarily questions the merit of government policy.

Provisions for disclosures to journalists and MPs are permissible in certain circumstances. Investigating agencies must respond to the person making the disclosure within deadlines set by the Act.

The ICAC is monitoring the legislation's effectiveness and will ultimately make a submission to a Parliamentary Committee due to review the Act's operations 12 months after the date of assent (12 December 1994). The submission will report on any shortcomings identified by the Commission.

Water Board (Corporatisation) Act 1994

Section 4 of the *Water Board (Corporatisation) Act*, (which commenced on 1 January 1995), established the Sydney Water Corporation Limited as a state-owned corporation in place of the Water Board. The body is a public authority under the ICAC Act but provisions relating to the Commission's power to enter the Corporation's premises no longer apply.

Ports Corporatisation and Waterways Management Act 1995

Three state-owned corporations were established by this Act (which

commenced on 1 July 1995) to replace subsidiary authorities of the Maritime Services Board that manage the ports of Newcastle, Port Kembla and Sydney. Each corporation is a public authority for the purposes of the ICAC Act.

State Bank (Privatisation) Act 1994

The *State Bank (Privatisation) Act* authorised the sale of the State Bank of NSW Ltd. As from 31 December 1994, the bank ceased to be a state-owned corporation and is no longer a public authority for the purposes of the ICAC Act.

Evidence Act 1995

The new *Evidence Act* was passed by Parliament in June and is essentially parallel to recently enacted Commonwealth legislation. The Act codifies many aspects of the laws of evidence. Although the ICAC is not bound by the rules of evidence at hearings, the Commission has regard for those rules and the provisions of the Act are relevant to the Commission's assembling of evidence which may be admissible in prosecuting a person for a criminal offence.

RECOMMENDED LEGAL CHANGES

ICAC REGULATIONS

Section 11 of the ICAC Act states that a principal officer of a public authority has a duty to report instances of suspected corrupt conduct to the ICAC. However, a clearly defined 'Principal Officer' does not exist in some agencies—for example, local councils have a mayor and a general manager—both of whom could be construed as being the principal officer.

The Commission prepared a paper entitled 'Section Eleven—the Principal Officer and ICAC Regulations', which

John Feneley,
Solicitor to the
Commission and
Alex Mills,
Commission
Lawyer prepare
advice on the use
of Commission
powers.



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was circulated to relevant stakeholders. Written comment was sought from these people. In the case of local government, it was proposed that the general manager be the holder of that position. The submissions received supported this proposal.

The Commission has sought to amend the ICAC regulations to prescribe that a council's general manager is the principal officer as far as s11 reporting responsibilities are concerned.

In addition to this, the *Independent Commission Against Corruption Act (Disclosure of Financial Interest) Regulation 1989* and the *Independent Commission Against Corruption (General) Regulation 1989* were due to be repealed under s10 of the *Subordinate Legislation Act 1989* on 1 September 1995.

The Commission made submissions to the Cabinet Office during the reporting period to have a new regulation made which would incorporate the previous regulations. Parliamentary Counsel and Cabinet Office were finalising drafting of the amended regulations at the end of 1994-95.

PRIVACY AND DATA PROTECTION BILL 1994

The Commission gave evidence to the Parliamentary Select Committee inquiry into data protection and privacy-related matters. The evidence supported the ICAC's submission to the committee and confirmed issues arising from the Commission investigation into unauthorised release of government information.

The ICAC maintained that the Bill should be amended to prohibit all unauthorised dealings in confidential information, that unauthorised dealings into confidential corporate information should be

prohibited and that the powers of the proposed Privacy Commissioner should be substantially broadened.

TELECOMMUNICATIONS (INTERCEPTION) AMENDMENT BILL 1994

The Commission made a submission during the reporting year to the Senate Standing Committee on Legal and Constitutional Affairs. The committee was considering the Telecommunications (Interception) Amendment Bill 1994.

Of major importance to the ICAC was a proposed extension to the class of criminal offences for which a telephone interception warrant could be obtained, including bribery and corruption. Such an extension would be subject to stringent seriousness tests.

MODEL FORENSIC PROCEDURES BILL 1995

Responding to the circulation of a Model Forensic Procedures Bill by the Standing Committee of Attorneys-General, the Commission provided its view in February. The view expressed concern that the Bill would allow police to detain a person without arrest on suspicion of committing an offence and require the individual to provide a personal forensic sample.

The Commission recommended such powers be applied only to persons who had been arrested.

MODEL MENTAL IMPAIRMENT BILL 1995

The Commission provided its view on the Model Mental Impairment Bill after a request by the Standing Committee of Attorneys-General. The Bill, which was distributed by the Committee, concerned the situation of defendants found unfit to plead.

Commission comments focused on aspects of the Bill which might be open to abuse. It recommended that a defendant be entitled to legal representation as a matter of right rather than as a matter of discretion of the presiding judge.

PECUNIARY INTERESTS & CODES OF CONDUCT

In response to a discussion paper produced by the Parliamentary Committee on the ICAC, the Commission made submissions in relation to pecuniary interest provisions for members of Parliament and senior executives and a code of ethics for Parliamentarians.

The existing requirements for a Register of Pecuniary Interests are covered by the *NSW Constitution Disclosures by Members Regulation 1983* and the Standing Orders of both Houses. Comprehensive registers exist in most other Australian parliaments. There is considerable community support for Members of Parliament to be required to declare their interests.

The current system, however, is neither self-explanatory nor clearly set out, and the regulations can require what appears to be complex legal interpretation. The Commission submitted that the system for disclosure should be improved by redefining the categories of disclosure and simplifying the form Members are required to complete. Suggested changes were made by the ICAC to all categories of disclosure covered by the current regulation, except real estate.

In addition to the Register of Pecuniary Interests, it was submitted that ad hoc disclosures should be covered by

legislation. It was also said that disclosures of non-pecuniary interests should be covered by a code of ethics.

Disclosure of family interests is regarded by the ICAC as a significant step in preventing conflicts of interest arising—the interests of family members are as capable of exerting influence over Members as if they were the Member's own.

The Commission recommended that members of the Senior Executive Service should also be required to submit annual returns disclosing interests in the same circumstances as Members of Parliament.

Development of a code of ethics for Members of both Houses of the NSW Parliament was also supported by the ICAC as part of a wider framework for promoting the ethical behaviour of Parliamentarians.

Work done by the Commission with other organisations in developing codes of conduct shows the most useful codes are those developed through consultation. Due to conflicting opinions in the community towards the meaning of corruption, it was suggested that the process of consultation would be imperative in developing an ethical code for politicians.

The ICAC submitted that such a code must be based on clearly identified ethical principles, detailing the accountabilities and ethical obligations of Members to provide some guidance as to appropriate or acceptable behaviour. As noted above, the amendments to s9 of the ICAC Act provides for the adoption of codes of conduct by both Houses of Parliament.

THE Operations Review Committee (ORC) was established by the ICAC Act. Its function is to advise the Commissioner whether the Commission should investigate a matter raised by a member of the public, or discontinue an investigation in relation to such information. The ORC can also offer advice on relevant matters referred to it by the Commissioner. The Committee is one of the Commission's most important accountability mechanisms.

The statutory basis for the Committee is found in Part 6 of the ICAC Act which outlines the functions, membership and procedure of the Committee.

In May 1989 the Committee resolved that its terms of reference would be to:

- advise the Commissioner whether the ICAC should discontinue or not commence investigation of a complaint;
- advise the Commissioner at least every three months whether the ICAC should continue an investigation;
- advise the Commissioner whether the ICAC should discontinue an investigation conducted on its own initiative or as a result of a report made to it;
- receive from the Commissioner a report relating to the completion of an investigation;
- advise the Commissioner on any matters referred to it by him or her; and
- bring to the Commissioner's attention any matters relating to the operation of the ICAC which the Committee considers important.

As at the end of the reporting year, ORC membership was as follows: Commissioner B S J O'Keefe AM, QC; Mr Laurie Glanfield, Director General, Attorney-General's Department; Mr Tony Lauer APM, NSW Police Commissioner; Reverend Bruce Ballantine-Jones, President of the Anglican Church League; Ms Carmel Niland AM, company principal; Mr John Bragg, chartered accountant; and Ms Meredith Rankin, solicitor in private practice. Ms Rankin replaced Ms Felicity Wardhaugh in March 1995.

All members are appointed in accordance with the ICAC Act. The last four members on the ORC are appointed to represent community views. Each member is appointed by the Governor on the recommendation of the Premier. The Commissioner of the ICAC must concur with the appointments before they can proceed.

The ORC is assisted by a project officer who co-ordinates reports prepared by Commission staff, attends the meetings to record the advice offered and acts as the link between the committee and the Commission. Where the ORC identifies general work which needs to be carried out between meetings, the project officer ensures that the requirements of the committee are communicated to the relevant Commission staff.

THE WORKLOAD OF THE ORC DURING THE REPORTING YEAR

The ORC generally meets on the first Friday of every month, excluding January. The meetings are held at Commission premises with the Commissioner as Chairperson. A quorum comprise five members, one of whom must be the Commissioner or an Assistant Commissioner.

Information is presented to the ORC in the form of written reports. Those reports outline the nature of the allegations, the extent of the enquiries undertaken by Commission officers and provide a recommendation regarding future action. Committee members are provided with these reports a week prior to each meeting so that they may should consider adequately all the reports provided.

During meetings, the ORC may reject or accept recommendations made by Commission officers and/or request that further investigation be undertaken in relation to any matter reported to it. In the reporting year, the Committee met a total of 11 times and considered the recommendations made by Commission staff in relation to 994 matters. This was one less than in the previous year. Of the 994 matters:

- in 749 matters, the recommendation made by the Commission officer preparing the report was accepted by the ORC without any alteration or comment
- in 179 matters, the ORC made specific comment or altered the recommendation slightly before accepting the report
- in 66 matters, the ORC did not accept the recommendation made and the report was returned for further work.

REFERRALS TO OTHER AGENCIES

Commission officers may recommend in a report to the ORC that a matter be referred to another agency for consideration. In the reporting year the ORC accepted recommendations that 220 matters be referred to other agencies. In a total of 452 matters the Commission officer had not recommended referral,

and the ORC accepted that recommendation.

STATUS REPORTING—AN ACCOUNTABILITY SAFEGUARD

A total of 191 Status Reports were submitted to the Committee. Status Reports are required when a matter has not been closed and is older than six months. Status reporting is an accountability mechanism to ensure that Commission officers handle matters in a timely fashion and do not keep them active for longer than is necessary. Status Reports must outline to the Committee what future action is proposed.

AUDIT AND REVIEW OF ORC REPORTS

For the past two years the Commission has arranged to have an external audit conducted of ORC Reports. This has been an important means of checking the integrity and quality of reports to the ORC. In March 1994, the Commission introduced a further quality control mechanism involving internal review of ORC reports. Each of these is dealt with below.

INTERNAL REVIEW

Reports are randomly selected following each month's ORC meeting and strictly evaluated against the contents of the relevant file(s) conducted by the project officer. The review examines reports for possible inaccuracies or inadequacies and determines whether the report is the required format.

Where the project officer is dissatisfied with the report submitted, a further report is requested correcting any deficiencies picked up in the review. A total of 63 files were reviewed during the reporting year, with one matter requiring

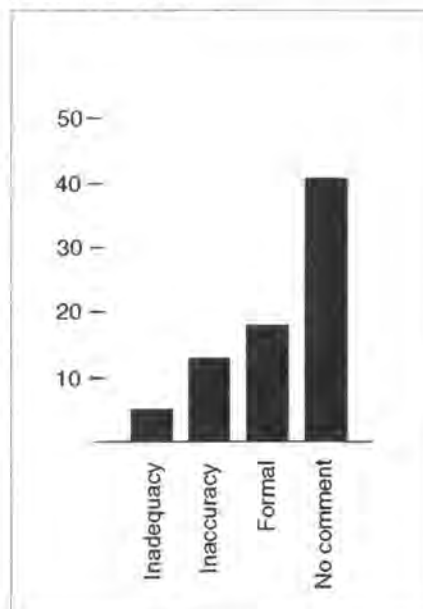
3 INVESTIGATIONS AND ACCOUNTABILITY THE OPERATIONS REVIEW COMMITTEE

re-submission to the ORC. The criteria used when reviewing files are as follows:

- Factor 1 **Inadequacy**—The adequacy of the information provided in the report is evaluated against the contents of the file. Issues taken into consideration in the course of the review include vague and/or generalised reporting of the allegations made by the complainant. The full and specific details of the allegation(s) made should be included in the ORC Report.
- Factor 2 **Inaccuracy**—The accuracy of the information provided in the report is evaluated. Misquoting a person's title or recording dates incorrectly would be included in this category.
- Factor 3 **Format**—The format of the report is evaluated to ensure it complies with Commission procedure.

In some instances reports may attract more than one comment. The table below represents the findings of the review of the 63 files. The "No Comment" column reflects those reports which were not the subject of an adverse comment.

Internal Review of ORC Reports and Associated Files



EXTERNAL AUDIT

In July 1995, the Commission engaged the services of an external auditor to conduct an audit of the Commission's complaint files. The audit examined whether the Commission had applied its classification system correctly, and whether its statutory and procedural obligations in reporting to the ORC were met. An examination of the 97 files selected for review, revealed that reporting requirements to the ORC had been complied with and where the ORC had provided specific advice, such advice had been followed by Commission staff.

THE Commission's research work aims to better inform efforts to reduce corruption. To achieve this, the Research Unit:

- conducts original empirical research on corruption and related issues;
- disseminates research findings to appropriate audiences;
- provides research support for major ICAC projects;
- acts as an information resource for the ICAC in order for the ICAC to remain up-to-date with current research;
- provides a consultancy service to other areas of the ICAC wishing to conduct their own research or evaluation; and
- monitors and/or evaluates ICAC work.

The importance of research to the ICAC's work was emphasised by the expansion of staff during 1994-95. Staffing increased from two to four (manager and three research officers).

Achievements during 1994-95 are described below.

COMMUNITY ATTITUDE SURVEY

A telephone survey of a random sample of 402 adults across NSW was conducted in November to measure public perceptions of corruption and the ICAC's work. Information obtained from the survey, which was designed by the Research Unit and conducted by a research company, assists the Commission's education and corruption prevention work. Major findings from the survey, the ICAC's second in a new series of annual attitude polls, include:

- 91 per cent of respondents said corruption is a problem in the NSW

public sector, with 44 per cent believing it is a *major* problem;

- 46 per cent of respondents said they or their family were *affected* by NSW public sector corruption;
- 65 per cent of respondents *disagreed* with the statement "there is no point reporting corruption in the NSW public sector because nothing useful will be done about it";
- 91 per cent of respondents said the ICAC was a good thing for NSW. Reasons given included that the ICAC acts as a necessary watchdog, it exposes corruption, acts as a deterrent, stops some of the corruption, and is independent; and
- only 4 per cent of respondents thought ICAC hearings should always be held in private. Responses to this question appear to reflect the view that the ICAC, and public hearings in particular, are important accountability measures. Such proceedings allow the community to see those in positions of public trust being held accountable for their activities and the public resources they manage.

DISSEMINATION OF "UNRAVELLING CORRUPTION: A PUBLIC SECTOR PERSPECTIVE"

The results of an ICAC survey of 1,313 NSW public sector employees' attitudes to corruption and reporting corruption were released in mid-1994. A paper based on this study was presented at the 1994 Australian and New Zealand Society of Criminology Conference in Sydney. The paper examined some of the implications of the survey results on the work of the ICAC and on public sector policies related to corruption.

Approximately 800 copies of the report and its summary have been distributed. The summary has been included in a book for university students about business ethics, while a paper based on the study has been accepted for publication in the international journal *Crime, Law and Social Change*.

The Research Unit has also provided information and assistance to other government departments (State and Federal) designing their own fraud/corruption awareness surveys.

INVESTIGATION INTO THE RELATIONSHIP BETWEEN POLICE AND PAEDOPHILES—A LITERATURE REVIEW

The Research Unit reviewed relevant literature for the Commission's *Interim Report into the Relationship Between Police and Paedophiles* issued in September. The review examined factors, including corruption, which could affect the successful identification, investigation and prosecution of child sexual abuse cases. Some of these factors arise from the nature of child sexual abuse and related cultural attitudes, while others reflect the system for dealing with abuse. In conducting this work, the vulnerability to corruption of the process for investigating child sexual abuse cases became clear, as did the difficulty in determining whether or not corruption had occurred.

ANNOTATED BIBLIOGRAPHY

To better resource and inform ICAC staff, the Unit updated (in June) its annotated bibliography of related national and international literature. The bibliography covers a range of topics, including codes of conduct, defining corruption and workplace crime. It contains approximately 140 references. In

addition to distribution throughout the ICAC, this document was sent to other organisations throughout Australia interested in corruption matters.

COMPLAINANTS' EXPECTATIONS OF THE ICAC

A project examining the expectations of people who bring information to the Commission (complainants) was started by the Research Unit in mid-1994. Two stages of the project were completed in 1994–95. The first conducted focus groups with ICAC staff who deal with complainants. The second stage examined 150 complaint files to determine, among other things, the types of expectations complainants have about the Commission's role, processes and potential outcomes.

Specific observations include:

- complainants are usually very concerned about the matters raised and are often personally or professionally affected. They expect the ICAC to take them and their information seriously;
- complainants believe the Commission will pursue information from the public and that it will investigate or intervene on behalf of individuals;
- complainants regard the ICAC as having the experience and/or resources to undertake the investigation, whereas they themselves and other organisations do not; and
- complainants want to hear back from the Commission about their matters. Some simply want to know whether their complaint will be pursued, while others expect to be kept up-to-date with progress on their matters and/or be involved in the investigation.



Jane Coulter and
Lisa Zipparo,
Research Officers
evaluating ICAC
reports

The study found variations between complainants' expectations of the ICAC and the role the Commission seeks to fill. The large volume of information collated by the ICAC means that every individual complaint cannot be investigated. Furthermore, the ICAC does not see that it has a primary role of resolving individual grievances. It is of more value to NSW for the ICAC to focus on major and systemic forms of corruption. This does not mean that the information provided by members of the public is not used. It can be used by the ICAC to inform its more strategic and preventative work.

Several ways in which the ICAC can improve dealings with complainants and their information were highlighted by the study, particularly in the method of communication with complainants. Work is underway on this matter.

CORPORATE Services supports the Commission's work by providing services which are responsive to corporate needs and which enable effective management of staff and resources.

The work of Corporate Services in 1994-95 is described under the following sub-headings:

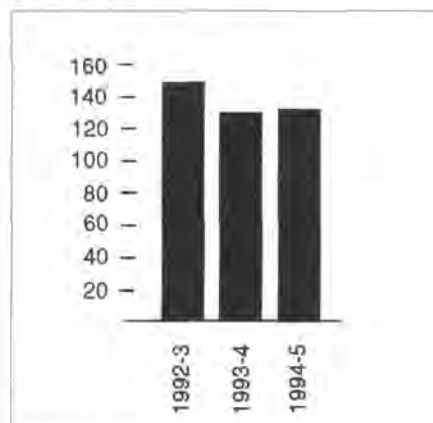
- human resource management;
- information management and technology;
- financial and facility management; and
- support services.

HUMAN RESOURCE MANAGEMENT

STAFF NUMBERS

A range of staff are employed to conduct ICAC work, but, where appropriate, services are contracted out, such as the recording of hearings, the production of transcript and some security work. Commission staffing at the end of 1994-95 was 129. Total staff numbers at 30 June in each of the past three years are shown in the following graph:

Staff levels



MOVEMENT IN WAGES, SALARIES OR ALLOWANCES

An enterprise agreement between the Commission and the Public Service Association of NSW (on behalf of staff) was registered under the Industrial Relations Act 1991 in November. The agreement provided for important changes to staff conditions of employment.

Most significant was the development of an ICAC officer classification structure. The structure reduced the existing number of pay points and introduced eight levels of Commission officer. Job evaluation methodology was used to prepare more than 80 new position descriptions. Positions were then evaluated and placed within the new ICAC officer classification.

Under the enterprise agreement, a three per cent salary increase was paid from 30 June 1994 and a further three per cent from 1 July 1995. The increases are dependent upon achievement of agreed milestones.

Members of Senior Management are appointed on term contracts and, although not part of the NSW Senior Executive Service, have their pay linked to that service. Those rates were increased by the Statutory and Other Officers Remuneration Tribunal from 1 October 1994. The increases flowed to Commission Senior Management.

The Commissioner's salary is linked to that of a puisne judge of the NSW Supreme Court. That rate was increased by the Statutory and Other Officers Remuneration Tribunal on 1 December 1994.

PERSONNEL POLICIES AND PRACTICES

A major overhaul of personnel policies and practices during 1994–95 was led by the introduction in December of a new performance management program – the Individual Performance Management Program (IPMP). Each employee now has a Performance Agreement, which sets agreed performance standards and indicators, in addition to identifying training requirements. All staff attended IPMP training between December and February, which was followed by instruction in the program's performance review processes in May. All new recruits receive similar training.

Adoption of the enterprise agreement saw a number of 'family friendly' work practices introduced. These included greater flexibility for working hours, a new form of paid leave to enable the care of ill family members, plus permanent part-time work, part-time leave without pay, part-year employment and job sharing.

A new Training and Development Policy was introduced in March to increase co-ordination of job-related training. Five other major new personnel policies were issued during 1994–95:

- job evaluation
- flexible working hours
- performing higher duties
- family and community services leave
- redundancy and redeployment.

INDUSTRIAL RELATIONS

The enterprise agreement establishes a standing employee consultative body, the "Commission Consultative Group" (CCG). This group acts as a formal mechanism for consultation and communication between staff and management on policy and procedural matters.

Prior to the enterprise agreement's registration, an interim CCG was formed and met seven times. After registration, an elected CCG held 10 meetings during 1994–95. The eight member CCG has proved to be a valuable body during a period of major change for the ICAC and contributed significantly to the Commission's internal functions.

The new enterprise agreement also provides internal and external dispute resolution procedures. During 1994–95, the external procedure was not used. The internal procedure was used once.

Management and Senior staff at a CCG meeting



RECRUITMENT

Merit is the basis of ICAC appointments.

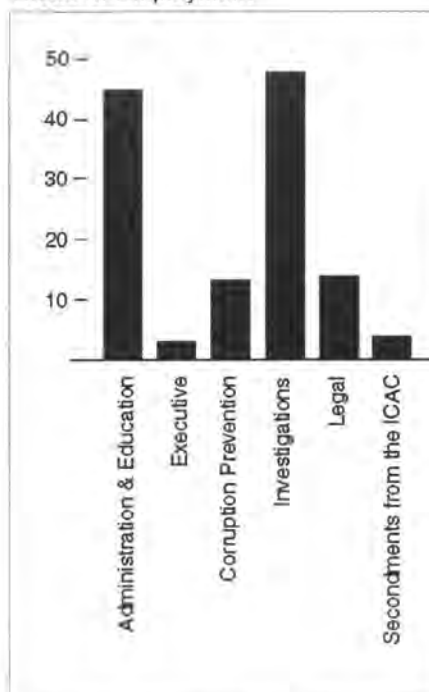
A total of 44 positions were filled during 1994-95, including that of the Commissioner, with recruitment campaigns conducted for:

Secretaries
Solicitor to the Commission
Education Officers
Principal Lawyer
Education & Media Assistant
Senior Lawyers
Systems Administrator
Lawyers
PC Administrator
Legal Assistant
Support Officers
Senior Analyst
Research Officers
Enquiry Registration Officers
Security Officer
Assessment Officers
Word Processor Operator
Chief Investigator
Principal Corruption Prevention Officers
Senior Investigator
Senior Corruption Prevention Officers
Investigator
Corruption Prevention Officers

EMPLOYMENT BY AREA

The disposition of staff across the various areas of the Commission at 30 June is shown in the following graph.

Areas of Employment



CONDITIONS OF EMPLOYMENT

ICAC conditions of employment are set by the ICAC Enterprise Agreement 1994.

EQUAL EMPLOYMENT OPPORTUNITY

The ICAC is not covered by the NSW Government's equal employment opportunity (EEO) legislation under Part IXA of the Anti-Discrimination Act. However, the Commission realises the significance of equal opportunity in the workplace and follows an EEO program.

Training for all staff in a range of EEO issues was provided during 1994-95 and a draft sexual harassment policy developed. EEO issues were also part of the 1994 ICAC enterprise agreement, including permanent part-time work, job sharing, part-time leave without pay, and part-year employment.

Distribution of women by salary group at 30 June 1995 was as follows:

Annual Salary	Total Staff	No of Women	%
< \$ 29 554	9	9	100
\$ 29 555-\$ 37 400	27.2	22.2	81.6
\$ 37 401-\$ 48 365	23	16	69.6
\$ 48 366-\$ 60 457	42.7	9.7	22.7
> \$ 60 458	17	5	29.4
TOTAL	118.9	61.9	52.06

OCCUPATIONAL HEALTH & SAFETY

The ICAC's Occupational Health and Safety (OH&S) Committee is responsible for researching and keeping abreast of changing OH&S issues. The committee is part of the Commission's commitment to a safe, healthy work environment.

Regular workplace inspections are conducted by the committee, which then recommends remedial action. Each of the seven committee members is formally trained in accordance with the OH&S Act.

The committee met four times during 1994-95. It addressed and made recommendations in a variety of areas, including accident prevention programs, indoor air quality and occupational overuse syndrome. The Commission is implementing these recommendations.

GRIEVANCE MEDIATION

The ICAC's grievance mediation procedures support a confidential service to staff at all levels through which they can resolve matters of concern in a non-threatening way. Staff and managers can ask qualified grievance mediators to deal with any work-related disputes.

Grievance mediators Anne Davies and Salli Browning worked with Commission staff to successfully address several formal and informal mediations during 1994-95. The Commission respects the need for a male mediator and steps will be taken in the next year to fill this position.

Formal mediations occurred during the year and all were addressed successfully. On several other occasions staff informally discussed problems with the mediators.

LEAVE LIABILITIES

The liability of recreation and long service leave for ICAC employees at the end of 1994-95 was as follows:

- recreation leave - \$491,861;
- extended leave - \$654,713.

INFORMATION MANAGEMENT AND TECHNOLOGY

RECORDS MANAGEMENT

The Records Unit manages the ICAC's records and archives according to the principles established by the Records Management Office for use by public sector agencies. Records staff also administer transcript of hearings in a manner which protects sensitive information, in accordance with suppression orders made by the Commission.

INFORMATION SERVICES

A range of library and information services are provided by the Information Services Unit, including reference and research, to all areas of the Commission. On-line computer systems are a major resource within the unit.

One initiative during 1994-95 saw the Commission join First Class Law, a communications network run by the

NSW Law Foundation specifically for legal service workers. The system has more than 700 users, including the Judicial Commission, NSW Crime Commission and the Commonwealth Director of Public Prosecutions. The Commission has its own First Class Law bulletin board, which contains an electronic copy of the ICAC Act, a current publications list and *Contracting for Services: The Probity Perspective*.

INFORMATION TECHNOLOGY

Functional and reliable computer services are provided to the Commission by the Information Technology Unit. The network is based on client-server architecture and comprises four UNIX-based mini computers, 120 personal computers, a database management system, image processing equipment and numerous network peripherals.

Network availability exceeded 99 per cent and unplanned downtime was less

than three hours during 1994-95. A new automated backup system was introduced and this will enhance the Commission's disaster recovery system.

Training courses designed specifically for ICAC applications were delivered in-house by the Unit, while its Help Desk facility provided timely solutions to basic user problems and enquiries by staff.

Computing functions were enhanced with the upgrading of 10 per cent of personal computers. Network computer applications were also improved through the provision of new or upgraded software packages.

FINANCIAL AND FACILITIES MANAGEMENT

FINANCE UNIT

The Finance Unit provides accounting and budgetary services to the Commission. This includes ensuring the Commission complies with the Public Finance and Audit Act, Treasurer's Directions and government accounting practices. The Unit assists management by providing financial information and advice to ensure the effective and responsible utilisation of the Commission's financial resources.

The Commission is funded from the Consolidated Fund. As a body listed under Schedule Three of the *Public Finance and Audit Act 1983*, the Commission prepares annual accounts in accordance with the *Annual Reports (Departments) Act 1985*. Audited financial statements, including notes, appear in Appendix 8.

SERVICES UNIT

Purchasing of goods and services and contract management is performed by the Services Unit. The Services Unit manages



Personal computers and image processing equipment are part of the ICAC information technology network

accommodation, travel, motor vehicles, telecommunications, building and equipment maintenance and assets.

INTERNAL AUDIT

The internal or management audit of the Commission's accounting, control practices and procedures is conducted by the Auditor-General.

The audit coverage has been extended from a broad-based analysis of financial systems to a series of more detailed examinations of critical high-risk areas, including:

- purchases and disbursements;
- asset management;
- records management;
- superannuation; and
- fringe benefits tax.

FINANCIAL OUTCOMES

The Commission underspent its budget allocation by \$3.054 million or 19.8 per cent of the total. This was attributable to:

- staffing levels were significantly below budget levels and unplanned personnel turnover rates were above estimates;
- the lower level of formal investigation activity resulted in savings in legal costs and other hearing related items.

MAJOR ASSETS AND MAJOR ACQUISITIONS

Major assets held by the Commission comprise leasehold improvements, computers, technical plant and equipment. Approximately \$219,000 was spent on capital equipment in 1994-95. These funds were generally spent on

asset replacements and technical equipment.

FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

The Commission made no such grants during the financial year.

CONTRACTING AND MARKET TESTING POLICY

A contracting and market testing plan was developed by the Commission during 1994-95. It includes a review of existing contracting practices within the ICAC and provision for development of an appropriate policy. The plan incorporates an analysis of the potential for and appropriateness of contracting out core Commission activities. Consequently, some prevention and education activities are now performed by contracted industry organisations.

COST OF PRINTING THE ANNUAL REPORT

A total of 3000 copies of the Annual Report for the year ending 30 June 1995 were published at a total cost of \$5.86 per copy. In addition, 10 000 copies of an Annual Report Summary were published.

The report was provided in computer-readable form to the NSW Parliament and the Auditor-General.

SUPPORT SERVICES

SECURITY SECTION

The Commission's security activities include protective measures for staff, property, information, operations and witnesses.

Advice and assistance was provided by the Section to the following agencies during 1994-95:

- the NSW Casino Control Authority for the holding of several hearings on ICAC premises;
- the NSW Attorney-General's Department for security measures for a drug storage facility;
- the NSW Ministry for Police and Emergency Services for vetting and probity assessment for potential Senior Executive Service members; and
- the Japanese public prosecutor's office for witness protection.

A review to improve the efficiency and cohesion of the section was conducted in August. It led to a reorganisation of work and work practices. Personnel vetting policy and procedures were revised, resulting in a new service delivery target being set.

TECHNICAL SERVICES GROUP

The Technical Services Group performs a range of specialist functions for the Commission, including technical advice, analysis of seized and surrendered computer disks and the maintenance of operational equipment required to support investigations.

The Group, whose staff have broad technical skills, expanded its capabilities during 1994-95 by equipment acquisition and professional training. Projects undertaken include the design and construction of new electronic interview cases for investigators, provision of technical support for country hearings and enhancement of audio recordings.

CORPORATE MANAGEMENT INFORMATION

STATUTORY APPOINTMENTS

The Commissioner is appointed by the Governor under s5 of the ICAC Act for a term or terms not exceeding five years. The ICAC's statutory functions and powers are exercised by the Commissioner, who also acts as Chief Executive.

The current Commissioner, The Hon Barry O'Keefe, AM, QC, was appointed to a five year term in November 1994. Mr O'Keefe practised as a barrister in NSW from 1957 after obtaining an Honours degree in Law from the University of Sydney. He was later admitted to practice in Victoria, Western Australia, the Australian Capital Territory and the Northern Territory of Australia. He was appointed a Queens Counsel in NSW in 1974. He served as a member of the Bar Council for eight years and as President of the NSW Bar from 1989 to 1991. He is currently a member of the Curriculum Review Board at the Faculty of Law, University of Technology, Sydney and a Governor of the Advocacy Institute of Australia. Mr O'Keefe was appointed Chief Judge of the NSW Supreme Court Commercial Division in 1993, a position he held until becoming ICAC Commissioner.

Mr O'Keefe has also been President of The National Trust of Australia since 1991. He served as an Alderman on Mosman Council for 23 years, was Mayor of Mosman for ten terms between 1977 to 1990 and President of the Local Government Association of NSW from 1988 to 1990. He represented Australian local government in China, Italy, Israel and Norway.

The ICAC Act permits the Governor to appoint Assistant Commissioners, with the Commissioner's concurrence, to

assist the ICAC as the Commissioner requires. An Acting Commissioner can also be appointed.

During the reporting year, Mr John Mant served as Acting Commissioner from March until September 1994. He was followed by The Hon Kevin Holland, QC, a retired Judge of the Supreme Court of NSW. He held the position until November, when Commissioner O'Keefe took up office.

Bruce Oslington, QC, was appointed an Assistant Commissioner from October to December, 1994 and from June to July 1995. John Mant remained as an Assistant Commissioner working on the Randwick City Council matter until February 1995.

SENIOR MANAGEMENT

The senior management committee meets weekly to assist the Commissioner's management of the organisation and to discuss strategic, operational and policy matters. A number of personnel changes occurred in senior management during 1994-95.

A major change to senior management and the Commission's organisation occurred with the disbanding of the Operational Services Department in March. The Department's components (assessments, security, technical services, property handling and assisting the Operations Review Committee) were made the responsibility of other departments. The Director, Tim Robinson, remained with the Commission to co-ordinate development of the new Corporate and Strategic Plans.

Another organisational change occurred when the reporting line for the Director of Corruption Prevention was altered so that the Director reported directly to the Commissioner, rather than through the Executive Director.

Commissioner, rather than through the Executive Director.

The senior management team at 30 June comprised:

Paul Seshold, Executive Director, appointed February 1993. Mr Seshold is responsible for the functions of Education, Research, Media and Corporate Services. Mr Seshold joined the Commission from the private sector, where his career included a number of senior commercial roles and an appointment as chief executive of a manufacturing company. He is a graduate of Computational Science and holds a Master of Science in Operational Research.

Peter Darlaston, Director of Investigations, appointed March 1994. Mr Darlaston is a member of the Australian Federal Police (AFP) and holds the rank of Detective Superintendent. After serving as a police officer in the United Kingdom from 1967 to 1970, Mr Darlaston joined the AFP's predecessor, the Commonwealth Police Force, and served in various positions. These included AFP liaison officer in Hong Kong, principal investigator to Tasmania's Carter Royal Commission and a secondment to the National Crime Authority.

John Feneley, Solicitor to the Commission, appointed February 1995. Mr Feneley is responsible for Legal Services, which provides legal, strategic and policy advice to the Commission. He also oversees support for the Operations Review Committee, liaises with the Parliamentary Joint Committee and is the ICAC representative on the Interagency Fraud Committee. Mr Feneley holds a Bachelor of Law degree. Before joining the Commission in 1991, he worked in

private practice in a variety of areas, including commercial and criminal law.

Peter Gifford, Director of Corruption Prevention, appointed May 1993. Mr Gifford, who holds degrees in Arts and Economics, has worked in many areas of public sector corporate and line management, including five years as foundation director of the Merit Protection and Review Agency. Mr Gifford has considerable experience in liaising and negotiating with the private sector and all levels of government.

Tim Robinson, formerly Director of Operational Services, was appointed in December 1990 after originally joining the Commission in November 1989. Mr Robinson is a former Australian Federal Police superintendent, whose 17-year career covered the areas of organised crime, fraud and operations support.

The following senior management members left the Commission during 1994-95:

- Ms Gail Furness, Solicitor to the Commission (October);
- Mr Simon Stretton, General Counsel (February).

OVERSEAS VISITS

In June, the Commissioner visited New York to consult with Justice Mollen and a number of his staff in relation to the Mollen Report on corruption in the New York police force.

The Commissioner then proceeded to London in preparation for a paper and panel discussion on fraud in financial markets to be held later in 1995. He went on to Israel and presented a paper in Jerusalem at a plenary session of a major conference on public service ethics.

In the course of the return trip to Australia, the Commissioner visited Beirut, Lebanon at the invitation of the Beirut Bar and addressed an assemblage of judges, ministers, legislators, lawyers, academics and clergy. He discussed the work of the ICAC and the desire of the Government of NSW to ensure that integrity and probity are the norms in the public sector of the State. He also stressed the commitment to provide a fair and transparent climate in which those who wish to invest and establish and conduct business with Government may do so with confidence.

APPENDIX 1

CORPORATE PLAN 1995–1998

FOREWORD

The Independent Commission Against Corruption is responsible for promoting integrity in public administration. While our role is to lead the way, there must be a shared desire on the part of the community, the public sector and those who deal with it to achieve high standards of honesty, impartiality and accountability.

This, the ICAC's second Corporate Plan, emphasises our commitment to combat corruption and, where appropriate, work with organisations and individuals to develop the high standards of integrity we all want to achieve.

The purpose of the Plan is to provide guidance to the organisation over the next three years as well as inform our stakeholders, which include the community, of our intentions. To enhance our accountability the Plan includes a statement of the corporate performance measures we will use to determine our effectiveness.

There is an intolerance of corruption in our community. This is a value to be encouraged. I am confident that the implementation of this Plan will help minimise corruption in the public sector and strengthen already developing standards of integrity.

KEY STAKEHOLDERS

The development of this Corporate Plan has aimed to take into account those who have an interest in, and are able significantly to affect, the Commission's achievement of its mission. These stakeholders are:

- the community
- the Parliament and the Parliamentary Joint Committee

- the Government of NSW
- the Operations Review Committee
- New South Wales public sector organisations
- other agencies with related functions
- all individuals and organisations who provide information to the Commission, or come into contact with us as a result of our investigative and other work
- ICAC staff.

OUR DIRECTION

The ICAC intends to:

- be and to be recognised as the lead agency in promoting integrity in the New South Wales public sector
- be tenacious in combating corruption, maintaining our independence and protecting the public interest
- have regard for the impact of the Commission's work on organisations and individuals
- work collaboratively and co-operatively with public sector agencies and other organisations
- emphasise to the community and the public sector the benefit of preventing corruption
- undertake our work in a way that uses a diversity of skills and approaches.

CORPORATE MISSION

The mission of the Independent Commission Against Corruption is to expose and prevent corruption in the New South Wales public sector so that:

- our leadership in combating corruption promotes integrity and accountability in the public sector and those who deal with it

APPENDIX 1
CORPORATE PLAN 1995–1998

- our selection of work brings greatest benefits to the public sector and the community of New South Wales
- we have sound relationships with public sector agencies and other organisations with whom we work
- public sector organisations are motivated to minimise corruption and are capable of doing so
- the New South Wales community is aware of, understands and supports the need to combat corruption in the public sector and the role of the Commission in this regard.

- we have working agreements with those agencies and organisations
- we have policies, practices and a culture which emphasise and support the Commission's commitment to sound working relationships with such agencies and organisations
- we participate in appropriate co-operative efforts with such agencies and organisations.

We will know when public sector organisations are motivated to minimise corruption and are capable of doing so, when:

PERFORMANCE STANDARDS

We will know when our leadership in combating corruption promotes integrity and accountability in the public sector and those who deal with it, when:

- public sector agencies seek our input, consult us and develop and adopt strategies for exposing and minimising corruption
- those who deal with the public sector recognise and accept defined standards of integrity as integral to such dealings.

We will know when our selection of work brings greatest benefit to the public sector and the community of New South Wales, when:

- the results of our work have broad applicability and lead to effective change within the public sector
- we have established the strategic capability to identify and undertake that work.

We will know when we have sound relationships with public sector agencies and other organisations with whom we work, when:

- the Commission's experience and expertise is made available in a way that is accessible and relevant to the agencies' needs
- such expertise and experience is used by agencies and leads to increased awareness and effective change within those agencies.

We will know when the New South Wales community is aware of, understands and supports the need to combat corruption in the public sector and the role of the Commission in this regard, when:

- we have sound programs to raise awareness and promote understanding of the effects of corruption and our shared responsibility in combating it
- our programs result in increased awareness of the role of the Commission and the detrimental effects of corruption.

STATEMENT OF ORGANISATIONAL CULTURE

ICAC's Mission will be accomplished through an organisational culture in which its people:

APPENDIX 1

CORPORATE PLAN 1995–1998

- work together as a team, valuing and utilising the unique skills and contributions of each of its members
- treat each other with trust and respect and treat colleagues and stakeholders in a fair, ethical and professional manner
- have a clear understanding of their responsibilities, the expectations of standards of performance and possess the necessary skills, resources, delegations and encouragement to achieve those standards of performance
- in the pursuit of excellence are encouraged, enabled and motivated to carry out their work in as creative, innovative and adaptive way as possible
- achieve open systems of decision making and communication
- respect the resources they are given to carry out their work and use them in a cost effective manner
- safeguard the organisation's independence and integrity
- balance the organisation's independence with the need to be accountable for its actions to the people of New South Wales through the Parliament and the Operations Review Committee (ORC).

PROGRAMS

The work of the Independent Commission Against Corruption is divided into six major programs. The Commission is committed to achieving the Program goals as specified:

Program	Goal
Prevention Services	To promote public sector integrity through the improvement of systems, policies and procedures in order to minimise corruption opportunities and corrupt behaviour.
Community Relations	Support community demand for a public sector that carries out its duties with integrity, with strategies to motivate and enable people to act against corruption.
Investigation Services	To investigate possible corruption in order to determine if and how corrupt conduct has occurred and to inform the changes or other actions which may be necessary to prevent or deter its recurrence.
Research	To better inform efforts to reduce corruption.
Legal Services	To provide legal services to the Commission and in doing so to promote accountability by the Commission and our officers in exercising Commission powers.
Corporate Services	To support the Commission's work by providing the services to enable us to manage our staff and resources effectively.

GLOSSARY

Parliamentary Joint Committee

The Parliamentary Joint Committee (PJC) on the ICAC is established by the ICAC Act to monitor and review Commission activities, examine published ICAC reports as well as trends, methods and practices in corrupt conduct.

The Operations Review Committee

The Operations Review Committee (ORC) is established by the ICAC Act to provide advice to the Commissioner as to whether complaints should be investigated and on such other matters as the Commissioner refers to the Committee.

The Public Sector of NSW

The NSW public sector includes all NSW government departments, statutory authorities, local councils, judicial officers and members of the NSW Parliament.

MORE INFORMATION

Further information about the ICAC's work Programs can be obtained at:

191 Cleveland Street REDFERN NSW
2016

GPO Box 500 SYDNEY NSW 2001

Ph: (02) 318 5999 or (1800) 463 913

APPENDIX 2

CORRUPTION PREVENTION PROJECTS

PROJECTS COMPLETED OR DISCONTINUED

Contracting for Services—see Chapter 1

Internal Reporting Systems—see Chapter 1

Development of Procurement and Disposal Guidelines—see Chapter 1

Review of implementation of recommendations made in Investigation Reports
—see Chapter 1

Systemic issues in alleged police protection of paedophiles—see Chapter 3

Aboriginal Lands Councils—discontinued in 1994 due to a major staff reorganisation
in the NSW Aboriginal Land Council

PROJECTS IN PROGRESS

Relationships between property developers and councillors and council officers (Port
Stephens Council)—see Chapter 1

Conduct of former public officials—for completion in 1995–96

A Practical Guide to Corruption Prevention—for issue in 1996

Tendering and contracting in the NSW Police Air Wing—see Chapter 3, Investigation
7.9

Administration of development control systems by Councils—arising from the
investigation into Randwick Council

Guidelines for Councils—Conflicts of Interest for Councillors—arising from investigations
into Port Stephens, Byron Bay, Fairfield and Randwick Councils

MONITORING PROJECTS COMPLETED

Monitoring Cash Handling in Private Hospitals—issued in August, Health Department
taking further initiatives to ensure maximum compliance

Plant Hire (Heavy Machinery)—see Chapter 1

MONITORING PROJECTS IN PROGRESS

Review of Sponsorship Principles—see Chapter 1

Monitoring Accountability for Government Grants—survey of a sample of agencies to
be completed in 1995

Implementation of recommendations in Second Report on Inquiry into Relationships
between Police and Criminals—see Chapter 1

Monitoring recommendations made in Investigation into the RTA and Property
Disposal—see Chapter 1

Review of public sector Codes of Conduct—in conjunction with Premier's Department

APPENDIX 3

CONTRIBUTIONS TO SEMINARS, CONFERENCES AND WORKSHOPS

WITH STATE AND LOCAL GOVERNMENT AGENCIES AND GROUPS

Archives Authority of NSW	Quality Records Management
Department of Corrective Services	
• Development program for Deputy Governors	Ethics & Accountability
• Workshops–Emu Plains Correctional Centre	Conflicts of interest, release of confidential information
• Executive Outlook Residential Program	Ethics & Accountability
Department of Health	
• State Executive Committee	Ethics and Accountability in NSW Health
• Illawarra Area Health Service	Overview of ICAC, corruption prevention, procurement & disposal, conflicts of interest
Department of Water and Land Conservation	Corruption & its prevention in the Public Sector
Ethnic Affairs Commission	
• Orientation Program	Corruption in interpreting and translating
Gosford City Council	Overview of ICAC, code of conduct for council staff, corrupt conduct
Maritime Services Board	Corrupt conduct, codes of conduct, internal reporting systems
NSW Public Sector	
• ICAC Metropolitan Seminars <ul style="list-style-type: none"> — Redfern — Parramatta 	Overview of ICAC, corruption prevention strategies, tendering conflicts of interest, release of confidential information, sponsorship
• ICAC Regional Seminars <ul style="list-style-type: none"> — Lismore — Wollongong — Broken Hill 	
• NSW Public Sector Corruption Prevention Forum	
NSW Police Service	
• Professional Responsibility Command	ICAC Overview, corruption prevention work in the Police Service

APPENDIX 3

CONTRIBUTIONS TO SEMINARS, CONFERENCES AND WORKSHOPS

NSW Premier's Department

- Ministerial Staff Induction Day Combating corruption in the NSW Public Sector
- SES Orientation Program Public Sector Accountability
- Office of Public Management The tendering process
— workshops

NSW Supply Service Probity, corruption prevention

Queanbeyan City Council ICAC Overview, reporting corrupt conduct

Sydney Water Fraud awareness seminars

The Earth Exchange Procurement & Disposal guidelines,
contracting for services, role of ICAC

Warringah Council Overview of ICAC, corrupt conduct

WITH OTHER GOVERNMENT AND PROFESSIONAL BODIES

Association of Risk & Insurance Managers

- Seminar Minimising risk using effective systems;
ICAC and its functions

Auditor General's Conference ICAC: role & function

Australian Information Industry
Association Tendering & Purchasing case studies

Australian Society of Certified Practising Accountants

- Development seminar Fraud, corruption & blackmail

Legal Studies Teachers' Conference ICAC Legal Studies Kit

Records Management Association
of Aust. Records and the law

Royal Institute of Public Administration Aust.

- Conference Strategic aspects of major public sector
acquisitions-tendering & purchasing
- Discussion Panel Contracting & Market Testing
- Workshops Contracting and Tendering
- Conference Mediation: the way forward

Shires Association of NSW ICAC-Past, Present, Future

APPENDIX 3

CONTRIBUTIONS TO SEMINARS, CONFERENCES AND WORKSHOPS

University of Canberra

- Australian Centre for Local Government Studies Competitive tendering & contracting out

COMMERCIAL, INDUSTRY OR NON-GOVERNMENT AGENCIES

Allen, Allen & Hemsley Successful tendering in government
Solicitors seminar

3rd International Jerusalem NSW-Ethics a Priority
Conference on Ethics in the Public Service

Assessment of Organised Crime Corruption-the nature of the Beast
Conference

NSW Planning Conference Ethics in Planning

St Ignatious College, Riverview Role of the ICAC

Australian & New Zealand Society of
Criminology-Crime, Criminology & Public

Policy Conference Unravelling Corruption

University of the Third Age ICAC and its functions

APPENDIX 4

COMMISSION PUBLICATIONS 1994–1995

INVESTIGATION REPORTS

Treatment of Staff Complaints in a Minister's Office August 1994

Police and Paedophiles–Interim report on Investigation into Alleged Police Protection of Paedophiles September 1994

RTA and Property–Investigation into the RTA and Property Disposal February 1995

Randwick Council–Investigation into the Randwick City Council February 1995

Mr PM Smiles–Investigation into Circumstances Surrounding the Payment of a Parliamentary Pension to Mr PM Smiles February 1995

CORRUPTION PREVENTION

Taken for Granted–Better Management of Government Grants brochure July 1994

Monitoring Cash Handling in Public Hospitals report August 1994

Corruption Prevention and Plant Hire–An Evaluation report October 1994

Internal Reporting Systems booklet February 1995

Contracting for Services: the Probity Perspective report May 1995

RESEARCH PUBLICATIONS

Community Attitudes to Corruption and the ICAC report May 1995

Corruption and Related Issues–An Annotated Bibliography June 1995

OTHER PUBLICATIONS

Annual Report 1993–94 October 1994

Inquisitorial Systems of Criminal Justice and the ICAC–A Comparison discussion paper November 1994

What to expect when dealing with Government (brochure produced in conjunction with NSW Supply Service and Information Technology Service) June 1995

APPENDIX 5
MEDIA STATEMENTS

10 August 1994	Release of inquiry report into the treatment of staff in a Minister's office.
30 August 1994	Casino Control Authority hearing advice.
29 September 1994	Release of monitoring report on cash handling in public hospitals.
30 September 1994	Release of Interim Report on the Alleged Police Protection of Paedophiles.
13 October 1994	Release of Corruption Prevention and Plant Hire-An Evaluation.
21 October 1994	Public hearing announced into sale of RTA real estate.
26 October 1994	Release of ICAC 1993-94 Annual Report.
13 January 1995	Arrangements for public hearing into Phillip Smiles parliamentary pension.
25 January 1995	Launch of ICAC HSC Legal Studies curriculum material.
2 February 1995	Release of report into RTA real estate sales.
9 February 1995	Protected Disclosures Act reporting guidelines launched.
15 February 1995	Release of report into planning matters at Randwick City Council.
21 February 1995	Commissioner O'Keefe announces ICAC's Future Directions.
23 February 1995	Release of report into Phillip Smiles parliamentary pension.
29 March 1995	Corruption prevention awareness seminar held in Wollongong.
8 May 1995	Public hearings announced into Byron Bay property developments.
17 May 1995	Guidelines issued for contracting for services.
2 June 1995	Public hearings announced into the conduct of former Fairfield City deputy mayor.
30 June 1995	Public hearings announced into the Police Air Wing.

APPENDIX 6

EXTERNAL COSTS OF INVESTIGATIONS COMPLETED AND PUBLICLY REPORTED ON DURING 1994-5

Matter	Year	Transcript Costs \$	Legal Counsel Costs \$	Report Costs \$	Witness Expenses \$	Other Costs \$	Total External Costs \$
Investigation into Randwick Council	1993/94	32,496	103,131	-	3,352	29,321	168,300
	1994/95	1,179	5,120	20,107	12	1,774	28,192
Total		\$33,675	\$108,251	\$20,107	\$3,364	\$31,095	\$196,492
Police and Paedophiles- Interim report on investigation into alleged Police Protection	1994/95	-	-	\$5,973	-	\$2,020	\$7,993
Investigation into RTA and property disposal	1994/95	\$7,004	\$13,825	\$4,516	-	-	\$25,345
Investigation into payment of Parliamentary Pension to Mr P Smiles	1994/95	\$6,009	\$89,700	\$9,280	\$21	\$4,000	\$109,010

Note: The figures reported above do not include Commission staff salaries or any overhead allocations.

APPENDIX 7

PROSECUTIONS AND DISCIPLINARY ACTION

PROSECUTIONS

OPERATION 2 (BARRACUDA) REPORT ON NORTH COAST LAND DEVELOPMENT

Name	Nature of Offences Recommended	Date of Action	Result
Cassell, Barry John	s.87 ICAC Act (false or misleading evidence)	07/02/95	DPP appealed against the Appeal judge's failure to state a case during the all grounds appeal heard in relation to the conviction and sentencing of Cassell to 8 months imprisonment. On 19 June 1995 the DPP's appeal was heard and the matter was referred back to the Appeal judge to state a case.
Glynn, Paul Edward	bribery and s.178BB Crimes Act	17/02/95	The Court of Criminal Appeal dismissed the DPP's appeal against the quashing of the indictment in relation to 2 x bribery charges.
		22/02/95	Informations were dismissed in relation to 2 x s.178BB charges.
Hogan, Thomas Edward Paul	bribery	25/10/94	Set down for committal on 31 July 1995.
Munro, Roger Gareth	bribery	25/10/94	Set down for committal on 31 July 1995.

OPERATION 9 (LAUREL) REPORT ON INVESTIGATION INTO STATE RAIL DEPOT AT CHULLORA

Name	Nature of Offences Recommended	Date of Action	Result
Harris, Simone Michaelaine	s.178BB Crimes Act (make false statement with intention to obtain financial benefit)	17/03/95	District Court issued a Pecuniary Penalty Order of \$25,000 against Harris.
Mychalewycz, Oleh Richard	s.178BB Crimes Act (make false statement with intention to obtain financial benefit)	17/03/95	District Court issued a Pecuniary Penalty Order of \$25,000 against Mychalewycz

APPENDIX 7

PROSECUTIONS AND DISCIPLINARY ACTION

OPERATION 20 (TAMBA) REPORT ON UNAUTHORISED RELEASE OF CONFIDENTIAL INFORMATION

Name	Nature of Offences Recommended	Date of Action	Result
Baptist, Christopher John	s.87 ICAC Act (false or misleading evidence)	28/04/95	Pleaded guilty and was Sentenced to two months imprisonment for each offence, to be served concurrently.
Bentley, Reginald	conspiracy to bribe	13/06/95	Committed to District Court for trial.
Betts, Jeffery Charles	conspiracy to accept bribe	9/05/95	In relation to conspiracy to accept bribe—entered into recognisance in the sum of \$10,000 to be of good behaviour for a period of 5 years. The remaining two conspiracy to accept bribe offences were scheduled. An order was also made confiscating the sum of \$13,254 being proceeds from crime.
Bracey, John Everett	conspiracy to bribe	27/10/94	Set down for committal hearing on 1 August 1995.
Chad, Kerrylyn	s.87 ICAC Act (false or misleading evidence) and s.88 ICAC Act (offences relating to documents or other things)	08/05/95	Committed to District Court for trial.
Chad, Nelson	s.309 Crimes Act (aid the unlawful access of computer data); s.87 ICAC Act (false or misleading evidence); s.88 ICAC Act (offences relating to documents and other things) and common law conspiracy	08/05/95	Committed to District Court for trial.
Dalrymple, David	s.87 ICAC Act (false or misleading evidence)	24/04/95	Convicted on both counts and sentenced to imprisonment for three months to be served by way of periodic detention commencing on 5 May 1995.

APPENDIX 7

PROSECUTIONS AND DISCIPLINARY ACTION

Name	Nature of Offences Recommended	Date of Action	Result
Darlington, Colin William	s.249B(2) Crimes Act (corrupt commissions)	1/03/95	On first count-s.556A(1)(b) Crimes Act-entered into recognisance in the sum of \$5,000 to be of good behaviour for a period of 3 years. Remaining 19 counts-s.556A(1)(a)-order made dismissing charge without proceeding to conviction. The DPP have appealed the decision.
Edwards, Jeffrey David	conspiracy to bribe	18/04/95	Convicted of all three offences and fined \$5,000 and placed on a good behaviour bond for a period of 3 years.
Elelman, Leon	s.249B Crimes Act (conspiracy-corrupt commissions) and s.87 ICAC Act (false or misleading evidence)	26/05/95	Matter adjourned for a pre-sentence report and sentencing for 31 August 1995.
Fardell, Bryce	s.87 ICAC Act (false or misleading evidence)	29/05/95	In relation to the first count - sentenced to 300 hours community service. On each of the remaining two counts-fined \$500. The DPP have appealed the decision.
Gurney, Robert	s.88(1) ICAC Act (offences relating to documents or other things) and s.89(a) ICAC act (procuring false testimony by witness)	10/02/95	In relation to s.88(1) ICAC Act-one month imprisonment with hard labour. In relation to s.89(a) ICAC Act -two months imprisonment with hard labour. Sentences to be served cumulatively-release date 9/05/95. All grounds appeal was lodged 10/02/95.
Hahn, Stephen	s.87 ICAC Act (false or misleading evidence)	29/05/95	District Court trial. Found not guilty.
Harrison, Stephen Eric	s.309(3)(e) Crimes Act (unlawful access of computer data)	16/03/95	S.558 Crimes Act (deferment of sentence). Entered into recognisance in the sum of \$5,000 to be of good behaviour for a period of 2 years.

APPENDIX 7

PROSECUTIONS AND DISCIPLINARY ACTION

Name	Nature of Offences Recommended	Date of Action	Result
Hedges, Andrew Neil	s.87 ICAC Act (false or misleading evidence).	29/09/94	Six months periodic detention on each count (to be served concurrently).
Mailey, Richard	s.87 ICAC Act (false or misleading evidence) and conspiracy to bribe	5/12/94	Committal hearing. Awaiting determination.
McLachlan, Jeffrey Richard	s.249B Crimes Act (corrupt commissions)	15/03/95	S.556A Crimes Act (offence proven but no conviction recorded). Entered into a recognisance in the sum of \$5,000 to be of good behaviour for 3 years and ordered to pay court costs of \$46 for each offence. The DPP have appealed the decision.
Persson, Dorothy	s.88 ICAC Act (offences relating to documents and other things)	17/11/94	Hearing of DPP appeal against the magistrate's finding that the evidence given was not voluntary. The matter was referred back to the magistrate for clarification.
Playford, Colin Wesley	s.309 Crimes Act (unlawful access of computer data)	16/09/94	Pleaded guilty. Placed on a 3 year good behaviour bond.
Robertson, David Suttor	s.309(3)(e) Crimes Act (aid the unlawful access of computer data); s.87 ICAC Act (false or misleading evidence)	22/02/95	In relation to the first two s.309(3)(e) counts—two months imprisonment. On the remaining six counts—fined \$3,200. The defendant has appealed. In relation to s.87 ICAC Act—sentenced to two months hard labour (to be served concurrently with the sentence on the s.309 matters). The defendant has appealed.
	s.249B Crimes Act (corrupt commissions or rewards)	15/11/94	After receiving submissions from the defendant, the DPP determined there should be no further proceedings. Informations were withdrawn.

APPENDIX 7

PROSECUTIONS AND DISCIPLINARY ACTION

Name	Nature of Offences Recommended	Date of Action	Result
Robinson, Kevin	s.87 ICAC Act (false or misleading evidence) and common law bribery	21/06/94	Committed to District Court for sentencing.
Scott, John	s.87 ICAC Act (false or misleading evidence); s.249B Crimes Act (corrupt commissions or rewards-bribery) and conspiracy to bribe	14/11/94	Committed to District Court for trial. The s.87 matters have been stood over to await the outcome of the s.249B matters.
Smith, Bradley York	s.88 ICAC Act (offences relating to documents or other things)	12/09/94	Found guilty and fined \$4,000 plus \$50 court costs per count (\$8,100 in total).
Stewart, Kingsley James	S.70(1) Commonwealth Crimes Act	23/04/95	Committed to District Court for trial.
Waddell, James Macbeth	s.309 Crimes Act (unlawful access of computer data) and s.87 ICAC Act (false or misleading evidence)	8/05/95	Committed to District Court for trial.
Wells, Gary Arthur	conspiracy to bribe and s.87 ICAC Act (false or misleading evidence)	22/09/94	5 year good behaviour bond and ordered to pay \$25,000 under the Confiscation of Proceeds of Crime Act. The s.87 matter has been scheduled.

OPERATION 31 (HELIX)

REPORT ON ROAD WORKS IN THE SHIRE OF KYOGLE

Name	Name of Offences Recommended	Date of Action	Result
Standfield, Harold John	s.87 ICAC Act (false or misleading evidence)	10/02/95	All grounds appeal withdrawn.

APPENDIX 7**PROSECUTIONS AND DISCIPLINARY ACTION****OPERATION 36 (LEARY)****REPORT ON NIGHT ATTENDANTS OF FLEMINGTON MARKETS**

Name	Nature of Offences Recommended	Date of Action	Result
Martin, Noel Mervyn Leslie	s.156 Crimes Act (larceny by a servant)	09/06/95	All grounds appeal withdrawn. The conviction and sentence were confirmed.

OPERATION 39 (MILLOO)**REPORT ON RELATIONSHIP BETWEEN POLICE AND CRIMINALS**

Name	Nature of Offences Recommended	Date of Action	Result
Bellamy, Graham Valentine	s.87 ICAC Act (false or misleading evidence) and s.178A Crimes Act (fraud)	20/06/95	Committal hearing stood over from 3 July 1995 to 8 December 1995 for mention only.
Bowen, Grahame Peter	s.87 ICAC Act (false or misleading evidence)	19/05/95	Committal hearing in progress.
Connor, Bradley Robert	s.87 ICAC Act (false or misleading evidence)	23/01/95	S.558 Crimes Act (deferment of sentence). Entered into a recognisance in the sum of \$3,000 to be of good behaviour for 3 years. Ordered to pay \$46 court costs on each charge.
Daly, Ronald	s.393 Crimes Act (conspiracy-to pervert the course of justice) and s.87 ICAC Act (false or misleading statements)	19/06/95	Committal hearing stood over until 18 September 1995 for mention only.
Harding, Brian Robert	s.87 ICAC Act (false or misleading evidence) and s.330 Crimes Act (false swearing) in the alternative	19/05/95	Committal hearing in progress.

APPENDIX 7

PROSECUTIONS AND DISCIPLINARY ACTION

Name	Nature of Offences Recommended	Date of Action	Result
Stockwell, Graham Daniel	s.117 Crimes Act (larceny)	4/01/95	S.558 Crimes Act (deferment of sentence). Entered into a recognisance in the sum of \$3,000 to be of good behaviour for 3 years. In addition, ordered to pay \$46 court costs.

OPERATION 45 (BANKSIA)

REPORT ON CONDUCT OF SRA OFFICERS IN GRAFTON AREA

Name	Nature of Offences Recommended	Date of Action	Result
Bell, David Brian	s.178BB Crimes Act (obtaining money etc by false or misleading statements) and s.249B(1)(b) and (2)(a) & (b) Crimes Act (corrupt commissions or rewards)	14/06/95 17/10/94	Committed to District Court for trial. DPP not proceeding with s.249B matter.
Child, Ronald Thomas	s.87 ICAC Act (false or misleading statements) and s.178BB Crimes Act (obtaining money by false or misleading statements)	09/02/95 10/02/95	Discharge at committal of 92 counts of s.178BB Committed to District Court for trial in relation to the s.87 and the remaining 5 counts of s.178BB
Davies, Ian Neil	s.178BB Crimes Act (obtaining money, etc. by false or misleading statements) and s.249B(1)(b) and (2)(a) & (b) Crimes Act (corrupt commissions or rewards)	09/02/95 17/10/94	Discharge at committal of 92 counts of s.178BB. DPP not proceeding with s.249B matter.

APPENDIX 7

PROSECUTIONS AND DISCIPLINARY ACTION

Name	Nature of Offences Recommended	Date of Action	Result
Davies, Phillip George	s.249B(1)(b) and (2)(a) & (b) Crimes Act (corrupt commissions or rewards) and s.178BB Crimes Act (obtaining money etc by false or misleading statements)	09/02/95	Discharge at committal of 150 counts of s.178BB.
		14/06/95	Committed to District Court for trial on remaining 2020 counts of s.178BB.
		17/10/94	DPP not proceeding with s.249B matter.
Elms, Geoffrey Samuel	s.87 ICAC Act (false or misleading evidence) and s.249B(1)(b) Crimes Act (corrupt commissions or rewards)	02/11/94	Convicted and sentenced to 3 months imprisonment in relation to the 4 counts of s.87. Appeal lodged.
		16/12/94	Found not guilty in relation to s.249B(1)(b).
Fuller, Charles Russ	s.249B(2)(b) Crimes Act (corrupt commissions or rewards)	16/12/94	Found not guilty
Gillart, Michael Christopher	s.178BB Crimes Act (obtaining money etc by false or misleading statements) and s.249B(2)(b) Crimes Act (corrupt commissions or rewards)	31/05/95	District Court sentence indication in relation to 3 counts of s.178BB.
		10/02/95	Committed to District Court for trial in relation to the 5 counts of s.249.
Greber, Trevor Raymond	s.178BB Crimes Act (obtaining money etc by false or misleading statements)	09/06/95	Discharged at committal.
Hay, June Margaret	s.249B(1)(b) Crimes Act (aid and abet-corrupt commissions or rewards)	31/05/95	Committed to District Court for trial.

APPENDIX 7

PROSECUTIONS AND DISCIPLINARY ACTION

Name	Nature of Offences Recommended	Date of Action	Result
Hay, William Ross	s.249B Crimes Act (corrupt commissions or rewards) and s.87 ICAC Act (false or misleading evidence) and fabricating a document	03/11/94 31/05/95	Convicted and sentenced to 200 hours community service in relation to s.87 and fabricating document matter. Committed to District Court for trial in relation to s.249B matter.
Johnston, Peter	s.178BB Crimes Act (obtaining money, etc. by false or misleading statements) and s.249B Crimes Act (corrupt commissions or rewards)	14/06/95	Committal hearing in progress.
Wearing, Michael	s.249B(1)(b) and (2)(a) & (b) Crimes Act (corrupt commissions or rewards)	17/10/94	DPP not proceeding.

OTHER PROSECUTIONS

Name	Nature of Offences Recommended	Date of Action	Result
Byrne, John Michael	s.178BA Crimes Act (obtaining money, etc. by deception)	12/09/94	Prima facie case found however the DPP was not able to prove guilty beyond reasonable doubt so that the case was dismissed on application of the rule in May-v-O'Sullivan
Freeman, Gregory	receipt of bribe and attempted solicitation of bribe	21/04/95	Committed for trial on 27 November 1995
Hickey, Allan James	obtaining benefit by deception	2/09/94	s.558 (sentence deferrment) on condition that enter into self recognizance of \$1,000 to be of good behaviour for 3 years

APPENDIX 7**PROSECUTIONS AND DISCIPLINARY ACTION****DISCIPLINARY ACTION****OPERATION 39 (MILLOO)
REPORT ON RELATIONSHIP BETWEEN POLICE AND CRIMINALS**

Name	Nature of Offences Recommended	Date of Action	Result
Connor, Bradley Robert	Police discipline	13/09/94	Dismissed from the Police Service after 15 disciplinary offences under R.9 of the Police Service Regulations were found proven
Myatt, Robert	Police discipline	26/09/94	Charged with 2 disciplinary offences under R.9 of the Police Service Regulations. Awaiting hearing outcome.
Parker, Kevin Joseph	Police discipline	13/09/94	Dismissed from the Police Service after 16 disciplinary offences under R.9 of the Police Service Regulations were found proven
Priest Robert	Police discipline	20/09/94	Reduced in rank to 1st year Constable and ineligible for promotion until the exploration of 12 months, as a result of 5 disciplinary offences under R.9 of the Police Service Regulations having been found proven.
Spence, Kenneth Malcolm	Police discipline	01/11/94	Charged with 4 disciplinary offences under R.9 of the Police Service Regulations. There has been a stay in the disciplinary proceedings pending the outcome of related criminal proceedings.
Stockwell, Graham Daniel	Police discipline	13/09/94	Dismissed from the Police Service after 21 disciplinary offences under R.9 of the Police Service Regulations were found proven

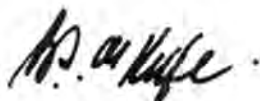
APPENDIX 7**PROSECUTIONS AND DISCIPLINARY ACTION****OPERATION 20 (TAMBA)****REPORT ON UNAUTHORISED RELEASE OF CONFIDENTIAL INFORMATION**

Name	Nature of Offences Recommended	Date of Action	Result
Allen, Keith	Police discipline	06/03/95	Set down for mention

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 1995

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 under Accrual Accounting for Inner Budget Sector Entities, the applicable clauses of the Public Finance and Audit (Departments) Regulation and the Treasurer's Directions;
- b. the statements exhibit a true and fair view of the financial position and transactions of the Commission; and
- c. there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



The Hon B S J O'Keefe AM QC
Commissioner

22nd September, 1995

APPENDIX 8
FINANCIAL STATEMENTS



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT
INDEPENDENT COMMISSION AGAINST CORRUPTION

To Members of the New South Wales Parliament and Commissioner

Scope

I have audited the accounts of the Independent Commission Against Corruption for the year ended 30 June 1995. The preparation and presentation of the financial statements consisting of the statement of financial position, operating statement and statement of cash flows, together with the notes thereto, and the information contained therein is the responsibility of the Commissioner. My responsibility is to express an opinion on these statements to Members of the New South Wales Parliament and Commissioner based on my audit as required by sections 34 and 45F(1) of the *Public Finance and Audit Act 1983*. My responsibility does not extend here to an assessment of the assumptions used in formulating budget figures disclosed in the financial statements.

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the requirements of the *Public Finance and Audit Act 1983*, Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) so as to present a view which is consistent with my understanding of the Commission's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements of the Independent Commission Against Corruption comply with section 45E of the Act and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Commission as at 30 June 1995 and the results of its operations and its cash flows for the year then ended.

A handwritten signature in dark ink, appearing to read "A.C. Harris".

A.C. HARRIS

SYDNEY
28 September 1995

APPENDIX 8

FINANCIAL STATEMENTS

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 1995

	Notes	Actual 1994-95 \$'000	Budget 1994-95 \$'000	Actual 1993-94 \$'000
Expenses				
Operating Expenses				
Employee related	4(a)	7,814	8,710	7,812
Other operating expenses	4(b)	3,020	4,552	3,205
Maintenance		269	300	240
Depreciation	4(c)	1,194	1,226	1,308
Other Services				
Legal Services		175	700	457
Other		-	-	78
Total Expenses		12,472	15,488	13,100
Revenues				
Sales of transcripts		11	33	12
Other	5	90	37	59
Total Revenues		101	70	71
Net gain/(loss) on disposal of computer equipment, plant & equipment		7	-	7
NET COST OF SERVICES	14(b)	12,364	15,418	13,022
Government Contributions				
Consolidated Fund Recurrent appropriation		10,415	13,157	11,740
Consolidated Fund Capital appropriation		181	181	192
Acceptance by the State of Department liabilities	2(a),4(a)	717	750	680
Surplus/(deficit) for the year		(1,051)	(1,330)	(410)
Accumulated Surplus at the beginning of the year		5,377	5,377	5,787
Accumulated Surplus at the end of the year		4,326	4,047	5,377

APPENDIX 8
FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 1995

	Notes	Actual 1994-95 \$'000	Budget 1994-95 \$'000	Actual 1993-94 \$'000
Current Assets				
Cash	6	742	470	785
Receivables	7(a)	105	37	37
Prepayments		95	83	83
Other		-	-	-
Total Current Assets		942	590	905
Non-Current Assets				
Leasehold Improvements	8	2,996	2,992	3,338
Computer Equipment	8	1,018	935	1,438
Plant & Equipment	8	301	358	524
Total Non-Current Assets		4,315	4,285	5,300
TOTAL ASSETS		5,257	4,875	6,205
Current Liabilities				
Creditors	9	439	409	409
Provision for Employee Entitlements	10	492	419	419
TOTAL LIABILITIES		931	828	828
NET ASSETS		4,326	4,047	5,377
Equity				
Accumulated Surplus		4,326	4,047	5,377
TOTAL EQUITY		4,326	4,047	5,377

APPENDIX 8
FINANCIAL STATEMENTS

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 1995

	Notes	Actual 1994-95 \$'000	Budget 1994-95 \$'000	Actual 1993-94 \$'000
Cash Flow from Operating Activities				
Payments				
Employee related		(7,010)	(7,961)	(7,580)
Maintenance and working		(3,295)	(4,832)	(3,383)
Legal and other costs		(199)	(700)	(550)
		(10,504)	(13,493)	(11,513)
Receipts				
Sales of transcripts		10	30	19
Interest Income		60	20	18
Other		0	0	22
		70	50	59
Total Net Cash Outflow from Operating Activities	14(b)	(10,434)	(13,443)	(11,454)
Cash Flow from Investing Activities				
Purchases of computer equipment, plant & equipment	14(d)	(222)	(210)	(181)
Proceeds from disposal of computer equipment, plant & equipment	14(d)	17	-	43
Total Net Cash Outflow from Investing Activities		(205)	(210)	(138)
Net Cash Outflow from Operating & Investing Activities		(10,639)	(13,653)	(11,592)
Government Funding Activities				
Consolidated Fund Recurrent appropriation		10,415	13,157	11,740
Consolidated Fund Capital appropriation		181	181	192
Total Net Cash provided by Government		10,596	13,338	11,932
Net Increase/(Decrease) in Cash		(43)	(315)	340
Opening cash balance	6	785	785	445
CLOSING CASH BALANCE	6	742	470	785

APPENDIX 8
FINANCIAL STATEMENTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.THE REPORTING ENTITY

The Commission is constituted by the Independent Commission Against Corruption Act 1988. The main objective of the Commission is to minimise corrupt activities and enhance the efficiency and integrity of government administration. These financial statements report on all the operating activities under the control of the Commission.

As the Commission is a single program entity, the financial results disclosed in the Operating Statement and Statement of Financial Position are identical to the Commission's program. Accordingly, a separate program information note has not been prepared.

2.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Commission's financial statements have been prepared in accordance with Statements of Accounting Concepts, applicable Australian Accounting Standards, the requirements of the Public Finance and Audit Act and Regulations, Treasurer's Directions and the Financial Reporting Directives published in the Financial Reporting Code for Inner Budget Sector Entities.

The Operating Statement and Statement of Financial Position are prepared on an accrual basis. The Cash Flow Statement is prepared on a cash basis using the "direct method".

The Commission's financial objectives do not include the generation of profit. The Commission is deemed to be a not-for-profit entity in relation to AAS10 and is therefore exempt from the "recoverable amount" test.

The financial report is prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars (\$1,000).

(a) Employee Related Expenses

The cost of employee entitlements to long service leave and superannuation are included in employee related expenses. However, as the Commission's liabilities for long service leave and certain approved superannuation schemes are assumed by the State, the Commission accounts for these liabilities as having been extinguished resulting in non-monetary revenue described as "Acceptance by the State of Department liabilities". Liabilities assumed by the State for the current year were \$717,000.

The amounts expected to be paid to employees for their pro-rata entitlement to recreation leave are accrued annually at current pay rates.

(b) Government Contributions

Monetary and non-monetary resources which are allocated to the Commission by the Government and which are controlled by the Commission are recognised as revenues of the financial period in which they are received. Non-monetary allocations are recognised at fair value.

(c) Fixed Assets Capitalisation Policy

Items of property and equipment acquired with an expected life in excess of one year and with a value of \$2,000 or more are capitalised. Values are determined on an asset-by-asset basis, although composite items and groups of related items are considered together for the purposes of determining asset values.

(d) Valuation of Assets

The historical cost method is used for the recognition of the Commission's assets.

(i) Leasehold Improvements

The Commission's leasehold improvements when constructed were projected to have a useful life of fifteen years. All leasehold improvements have been assessed by Commission officers to be in good order and condition and are consistent with their projected remaining useful life.

(ii) Computer Equipment, Plant and Equipment

The Commission's computer equipment, plant and equipment when purchased was projected to have a useful life of five years. All computer equipment, plant and equipment have been assessed by Commission officers to be in good order and condition and are consistent with their projected remaining useful life.

(e) Depreciation

Depreciation is provided on a straight line basis over the estimated life of the assets which are disclosed in the above note.

3. BUDGET REVIEW

The actual net cost of services was \$3.054 million below the original budget estimate.

The underlying variance was attributable to two main factors:

- (a) The Commission's staffing levels were on average 14% below budget forecasts.
- (b) The level of formal investigations activity was below budget expectations which generated savings, particularly in legal costs, transcript fees and other related items.

APPENDIX 8
FINANCIAL STATEMENTS

4. OPERATING EXPENSES

	1995	1994
	\$000	\$000
(a) Employee Related Expenses comprise the following items:		
Salaries and Wages	5,976	6,096
Payroll and Fringe benefit tax	506	476
Recreation leave	504	438
Workers compensation	83	47
Other	28	75
	7,097	7,132
Liabilities Accepted by the State		
Superannuation entitlements	443	456
Long service leave	274	224
	717	680
TOTAL	7,814	7,812
(b) Other Operating Expenses are as follows:		
Building expenses		
Rent, rates & cleaning		
Subsistence and transport	1,013	1,033
Travelling, removal & subsistence		
Motor vehicles	126	88
Freight		
Fees for services	52	85
Consultancies	13	19
External audit fees		
Transcript fees	75	89
Fees for services	7	7
Contract security services	32	77
Training	324	238
Other fees	377	399
General expenses	165	113
Advertising and publicity	17	26
Books and periodicals		
Gas and electricity	55	77
	36	38
	95	116
Postal and telephone		
Printing		
Stores & stationery	202	215
Lease of equipment	108	182

APPENDIX 8
FINANCIAL STATEMENTS

Technical supplies	73	78
Computer supplies	8	24
Other	13	15
	67	29
Total	162	257
	3,020	3,205

(c) Depreciation is charged as follows:

Leasehold improvements	347	341
Computer equipment	602	611
Plant and equipment	245	356
Total	1,194	1,308

5. REVENUES-OTHER

Included in the amount shown as other revenue is an amount of \$81,575 being interest earned on the Commission's bank account as calculated under the Treasury Cash Management System. This compares with interest earned of \$36,622 during the previous year.

6. CURRENT ASSETS-CASH

	1995 \$'000	1994 \$'000
Cash at Treasury	23	-
Cash at bank	718	784
Cash on hand	1	1
Total	742	785

APPENDIX 8
FINANCIAL STATEMENTS

7. CURRENT ASSETS-RECEIVABLES

	1995	1994
	\$'000	\$'000
(a) Transcript Debtors	1	-
Advances	25	17
Other	38	1
Accrued Income	41	19
	105	37

No provision has been made for doubtful debts as all amounts are considered recoverable. There were no bad debts written off during the year.

8. NON-CURRENT ASSETS

Leasehold improvements, Computer equipment, Plant & equipment

	Leasehold Improvement \$'000	Computer Equipment \$'000	Plant & Equipment	Total \$'000
At Cost				
Balance 1 July 1994	4,949	3,113	1,825	9,887
Additions	5	182	32	219
Disposals	-	(1)	(37)	(38)
Balance 30 June 1995	4,954	3,294	1,820	10,068
Accumulated Depreciation				
Balance 1 July 1994				
Depreciation for the year	1,611	1,675	1,301	4,587
Write back on disposal	347	602	245	1,194
	-	(1)	(27)	(28)
Balance 30 June 1995	1,958	2,276	1,519	5,753
Written Down Value				
At 30th June 1995	2,996	1,018	301	4,315

Included in the above figures are assets which have been fully depreciated comprising \$943,000 of plant and equipment and \$270,000 of computer equipment.

APPENDIX 8
FINANCIAL STATEMENTS

9. CURRENT LIABILITIES - CREDITORS

	1995	1994
	\$'000	\$'000
Operating activities		
Employee related	157	107
Maintenance & working	282	275
Legal & other costs	-	24
Plant and equipment	-	3
	<u>439</u>	<u>409</u>

10. CURRENT LIABILITIES-PROVISION FOR EMPLOYEE ENTITLEMENTS

	1995	1994
	\$'000	\$'000
Recreational leave	492	419
The movement in the provision for employee recreational leave is as follows:		
Balance at start of year	419	455
Increase/(Decrease) in provision	73	(36)
Balance at end of year	<u>492</u>	<u>419</u>

Recreation Leave covers employees accrued annual leave entitlements at 30th June, 1995.

11. UNCLAIMED MONIES

All amounts unclaimed are forwarded to the Treasury for credit of Special Deposits Unclaimed Monies Account and are available for refund from that account. There were no unclaimed monies forwarded to Treasury during the financial year and there are no unclaimed amounts being held in the accounts of the Commission in excess of two years.

APPENDIX 8
FINANCIAL STATEMENTS

12. COMMITMENTS FOR EXPENDITURE

	1995 \$'000	1994 \$'000
(a) Capital commitments		
Aggregate capital expenditure contracted for at balance date but not provided for in accounts payable:		
Not later than one year		
Later than one year but not later than 2 yrs	-	23
Later than 2 yrs but not later than 5 yrs	-	-
Later than 5 yrs	-	-
	-	23
(b) Lease commitments		
Aggregate operating lease expenditure contracted for at balance date but not provided for in the accounts:		
Not later than one year		
Later than one year but not later than 2 yrs		
Later than 2 yrs but not later than 5 yrs	986	974
Later than 5 yrs	969	956
	1,596	2,502
	-	-
	3,551	4,432

All operating lease expenditure contracted for at balance date were related to non-cancellable operating leases.

13. CONTINGENT LIABILITIES

There are no known material contingent liabilities.

APPENDIX 8
FINANCIAL STATEMENTS

14. NOTES TO THE STATEMENT OF CASHFLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cashflows, the Commission considers cash to include cash on hand, at bank and at Treasury (refer note 6). The Commission has no financing facilities.

(b) Reconciliation of Net Cost of Service to net cash used on operating activities

	1995 \$'000	1994 \$'000
Net Cost of Services	(12,364)	(13,022)
Increase/(Decrease) in Liabilities		
- Provision for employee entitlements	73	(36)
- Accounts Payable	33	(400)
(Increase)/Decrease in Assets		
- Prepayments	(12)	35
- Accounts Receivable	(68)	(12)
Adjustment for Non Cash Items		
- Depreciation	1,194	1,308
- Liabilities accept by State	717	680
- Net Gain/(Loss) on disposal of assets	(7)	(7)
Net Cash Used on Operating Activities	<u>(10,434)</u>	<u>(11,454)</u>

(c) Credit Standby Arrangements and Unused Loan Facilities.

The Commission has no credit standby arrangements and no unused loan facilities.

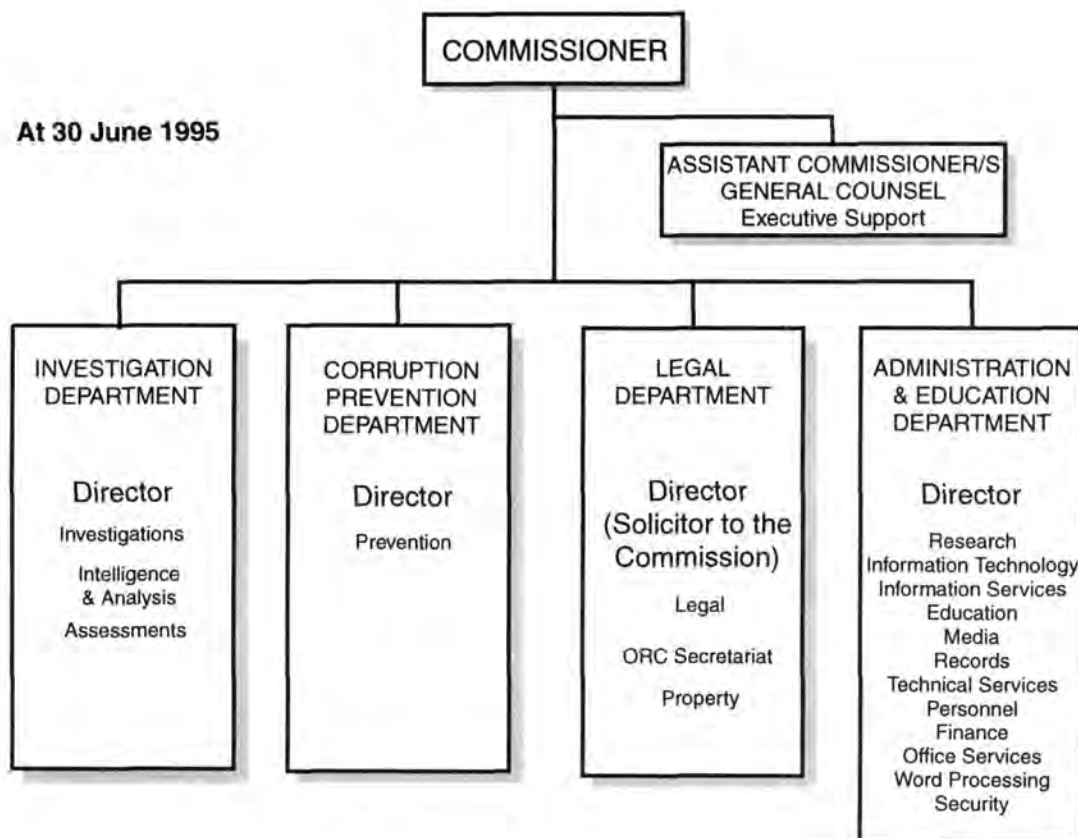
(d) Cashflow from Investing Activities

	1995 \$'000	1994 \$'000
- Purchases of Plant & equipment		
Additions at cost	219	184
Decrease/(increase) in creditors	3	(3)
Cash paid	222	181
- Disposal of Plant & equipment		
Cost or value		73
Less:	38	
Accumulated depreciation		<u>37</u>
	28	36
Gain/(loss) on sale	<u>10</u>	<u>7</u>
	7	
Cash received		<u>43</u>
	<u>17</u>	

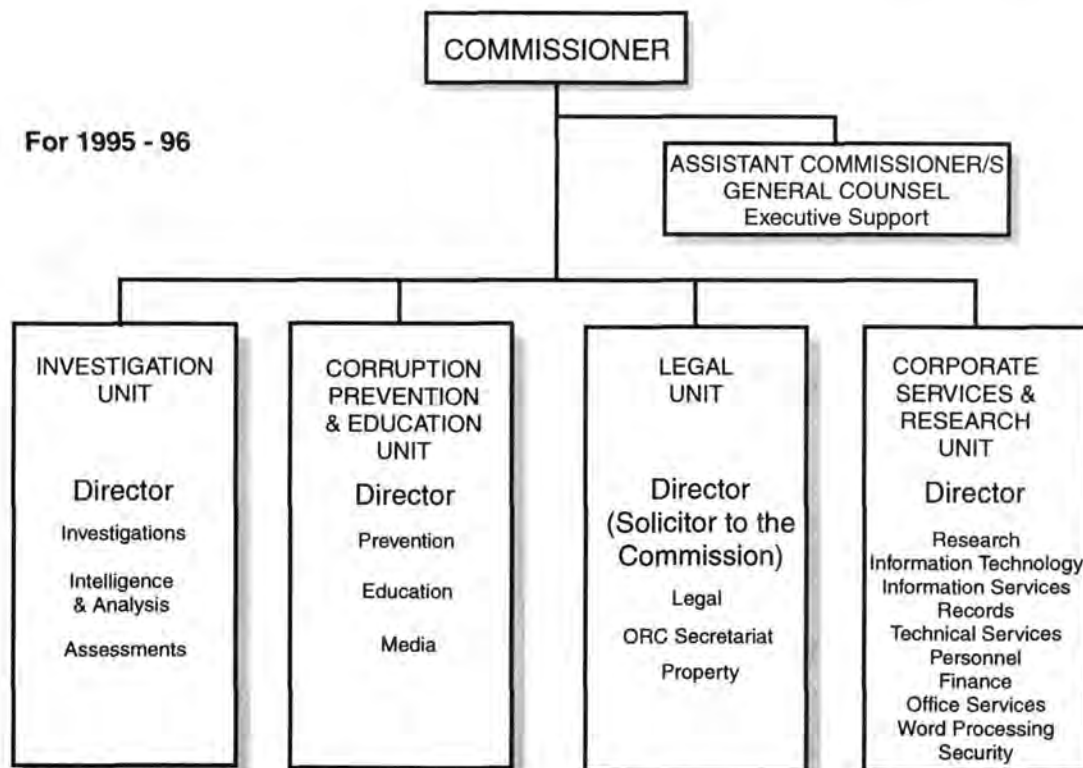
END OF AUDITED FINANCIAL STATEMENTS

APPENDIX 9
ORGANISATION CHARTS

At 30 June 1995



For 1995 - 96



APPENDIX 10**PAYMENT PERFORMANCE INDICATORS****1. ACCOUNTS PAYABLE**

There were no accounts payable outstanding at the end of each quarter during the year ended 30th June, 1995.

2. PAYMENTS ON TIME

	Accounts Paid on Time		Amount Paid on Time	Amount Paid
	Target	Actual		
	%	%	\$	\$
1st Quarter	95	94	1,044,446	1,071,240
2nd Quarter	95	94	1,482,096	1,504,617
3rd Quarter	95	95	1,577,086	1,612,701
4th Quarter	95	94	1,839,574	1,899,823
Annual Total	95	94	5,943,202	6,088,381

COMMENTARY:

The Commission set targets of 95% and problem level indicators of 90% in relation to the prompt payment of accounts. As reported above the Commission's performance regarding the prompt payment of accounts is slightly below established targets but significantly higher than the problem level indicators.

The Commission did not forfeit any discounts available and there was no interest charged on the payments not made on time.

APPENDIX 11
CONSULTANCIES

The Commission spent a total of \$75,000 for specialised services from nine different consultants, each at an individual cost of less than \$30,000. The consultants and services provided are indicated below:-

• Netmap Solutions Pty Ltd	Computer Systems Advice
• State Library of NSW	Review of Information Services Unit
• OCR Pty Ltd	Implement Job Evaluation System
• Corporate Impacts Pty Ltd	Advice on Corporate Planning
• EMD Workforce Development	Co-ordinate Enterprise Agreement process
• Hakens Kirkwood and Meertens	Advice on Office Alterations
• Charles Q Williams	Development of Operations Procedures Manual
• Bron McKillop	Prepare report on Inquisitorial System of Criminal Justice
• Gutteridge Haskins and Davey Pty Ltd	Develop tender for air Conditioning Contract

STATEMENT OF AFFAIRS

Every agency covered by the *Freedom of Information Act 1989* is required by the Act to publish an Annual Statement of Affairs. The Commission's administrative and educational matters are included in the operations of the Act, while certain of the Commission's operations are exempt. The exempt matters are: corruption prevention, complaint handling and investigative and report functions.

The Commission is committed to public awareness and involvement in its activities. General inquiries by post, telephone or visit are welcome. Where an inquiry cannot be satisfied through such contact, then formal application can be made to the FOI Co-ordinator.

COMMISSION CONTACT DETAILS

Address:	Postal Address
ICAC	ICAC
191 Cleveland Street	GPO Box 500
REDFERN NSW 2016	SYDNEY NSW 2001

Office hours: 8.00am - 6.00pm

Telephone

Enquiries: (02) 318 5999 or Toll Free: 1800 463 913/1800 463 909
Facsimile: (02) 699 8067

FREEDOM OF INFORMATION PROCEDURES

Arrangements can be made to obtain, or to inspect, copies of available documents at the Commission by contacting the FOI Co-ordinator. The Commission's FOI Co-ordinator is the Director of Corporate Services and Research.

Formal requests made under the FOI Act for access to documents held by the Commission should be accompanied by a \$20 application fee and be sent to the Commission's FOI Co-ordinator. Persons wishing to be considered for a reduction in fees should set out reasons with their applications.

STRUCTURE AND FUNCTIONS

The Commission's organisation structure is set out in Appendix 9.

The functions of the Commission are, broadly, investigative, corruption prevention and public education. They are described more fully in the body of this Annual Report.

EFFECT OF FUNCTIONS ON THE PUBLIC AND ARRANGEMENTS FOR PUBLIC PARTICIPATION

The public can participate directly in the Commission's work by providing information to the Commission about suspected corrupt conduct in the NSW public sector. That information can be provided by telephone, letter or personal visit.

Four members of the public are members of the Operations Review Committee, which has the role of ensuring that the Commission properly deals with complaints received from the public.

APPENDIX 12

FREEDOM OF INFORMATION

Members of the public can attend and observe the Commission's public hearings, which are advertised in metropolitan newspapers for Sydney hearings, and metropolitan and regional or country newspapers for hearing outside Sydney. Public hearings are also listed in the Sydney Morning Herald law listings.

Members of the public can obtain Commission reports on investigations, and view most transcript and documentary evidence from hearings. Anyone wishing to read transcripts welcome to contact the Commission and make arrangements to visit the premises for this purpose.

The Commission is accountable to the public through the Parliament, most specifically through the Parliamentary Joint Committee on the ICAC. Members of the public can make comments to the Committee about how the Commission does its work and suggest changes. Members of the public can also make such comments directly to the Commission.

DOCUMENTS HELD BY THE COMMISSION

The following categories of Commission documents are covered by the FOI Act:

- research reports;
- administrative policy documents (such as personnel policies); and
- general administration documents (such as accounts and staff records).

Members of the public may contact the FOI Co-ordinator to clarify which documents may be available under FOI legislation.

Commission publications are available free of charge. The publications made in 1994-95 at Appendix 4 of this Annual Report. They include investigation reports, corruption prevention reports and education material. The Commission also publishes brochures about the Commission's activities and procedures.

FREEDOM OF INFORMATION REQUESTS 1994-95

The Commission originally was an exempt agency under the FOI Act 1989. Amendments introduced on 1 July 1992 lifted that blanket exemption.

The Commission's corruption prevention, complaint handling, investigative and report functions remain exempt from the provisions of the FOI Act. However where an application concerns exempt documents, the Commission will consider providing access on the basis of public interest.

During the year to 30 June 1995, the Commission received two applications under the FOI Act. The requests, which were for exempt documents, were considered by the Commission with one being accepted and one rejected. No fees or assessed costs were imposed. Both applications were processed within 30 days. With such a small number received, no significant trend information was detectable. There was no impact on Commission activities, policies or procedures and no major issues arose. No appeals or reviews were sought or pursued.

In the year to 30 June 1994, the Commission also received two applications under the FOI Act. The requests, which were for exempt documents, were considered by the Commission and both were rejected.

In the year to 30 June 1993, no applications were recorded.

Prior to 1 July 1992, the Commission was exempt from the FOI Act and no applications were received.

CODE OF CONDUCT

INTRODUCTION

The Independent Commission Against Corruption is constituted under the *Independent Commission Against Corruption Act 1988 (ICAC Act)*.

Accountable to the public of New South Wales, through the Parliament, it stands independent of the government of the day.

The Commission has three principal functions under the Act—investigation, corruption prevention and public education. In carrying out their duties, individuals employed as officers of the Commission are obliged to:

"... regard the protection of the public interest and the prevention of breaches of public trust as (their) paramount concerns." (s.12 ICAC Act)

The legislation confers extraordinary powers on the Commission. Because of this, Commission staff must seek actively to achieve and retain public trust, if they are to deserve the responsibilities entrusted to them.

The work of the Commission could be seriously undermined if any of its officers was seen to be acting in a way which the Commission itself, or right-thinking members of the community, would find reprehensible in any public organisation.

This Code sets out the principles officers are expected to uphold, and prescribes specific conduct in areas considered central to the exercise of the Commission's functions. It will be reviewed regularly, and updated and expanded to reflect changes both within and outside the Commission.

The Code is not intended to be read as a set of rules, where each word is scrutinised for its legal meaning. It is intended to convey in plain words the obligations placed on, and the behaviour expected of, all officers of the Commission.

This Code applies to every individual engaged as an officer of the Commission, whether by way of employment contract, term employment (appointment or secondment), temporary arrangement or on a fee for service basis.

1. PRINCIPLES

- Officers of the Commission must carry out their duties impartially, with integrity and in the best interests of the Commission.
- The name and powers of the Commission must be used with restraint and with an awareness of their potential effect on the lives of individuals. They should never be used to gain personal advantage.
- The standards of ethical behaviour and accountability which the Commission promotes in its dealings with other government organisations must be met by its own officers.
- Officers of the Commission should establish and maintain effective relations with individuals and organisations outside the Commission, recognising their rights as citizens.

APPENDIX 13

CODE OF CONDUCT

- Discrimination and partiality, either within the Commission or in dealings with people and organisations outside the Commission, are unacceptable.
- The work of the Commission must not be compromised or affected by any personal interest.
- Public resources must be used efficiently and effectively.
- The security of information and the protection of persons working with or dealing with the Commission must be assured.

The following parts of the Code provide detailed guidance on how you are expected to apply these principles in practice.

2. EMPLOYMENT

The ICAC Act places all officers under the control of the Commission. Appointment is not under the Public Sector Management Act. However, Parts 1, 3, 5 and 6 of the Public Sector Management (General) Regulation 1988, relating to particular conditions of employment, allowances and leave, have been adopted as Commission practice.

You should be familiar, and act in accordance with, the provisions of the ICAC Act and Regulations and the Commission's policies as set out in staff circulars and operational manuals. Copies are held in the library. All requirements concerning secrecy, personal and financial disclosures, security and media contact, must be strictly followed. If you perceive conflict between legislative and policy requirements and the Code, you must consult your supervisor.

Officers transferred from the New South Wales Police Service for a temporary period of employment, who continue to act as constables, are also required to know and abide by the Police Service Act and Regulations and the New South Wales Police Service *Rules and Regulations* manual. If you perceive any conflict between the legislative or policy requirements of the Commission and the Police Service, you must consult the Director of Investigations.

At induction to the Commission, staff are provided with details of the terms and conditions of employment, including the Commission's performance appraisal scheme. Appraisal takes place six months after commencement and then on an annual basis. For further explanation of the scheme consult the Personnel Manager.

As an employee of the Commission, you have undertaken:

- not to engage in personal or professional conduct which may bring the Commission into disrepute
- to abide by the strict secrecy provisions of the ICAC Act
- to make full and open disclosures of your financial interests and personal particulars to the Commission. Significant changes to financial or personal status should be disclosed, when they occur, to a supervisor or member of Senior Management.

To maintain credibility the Commission must make all efforts to ensure employees have no association with corruption. For this reason, failure to disclose personal or financial particulars may bring serious consequences for both the Commission and individual staff.

3. PERSONAL AND PROFESSIONAL CONDUCT

You should carry out your duties with honesty, commitment and diligence, working to the best of your ability.

Where a decision or action is based on a statutory power, you must ensure that:

- the legislation under which the decision or action is taken authorises the taking of that decision or action
- you have the authority or delegation to take that decision or action, or that authority has been given
- any procedures required by law have been observed
- all relevant Commission policies and directions are followed
- the decision or action and the reasons for taking it are properly documented

You have a responsibility to ensure fairness in carrying out the work of the Commission. This means that you should:

- take all reasonable steps to ensure that the information upon which decisions or actions are based, is factually correct, and that you have obtained all the relevant information
- deal with like situations in a like manner, i.e. be consistent
- take all relevant information into consideration
- not take any irrelevant information or opinions into consideration

You should not act in any way which is discriminatory, and you should take care that your actions could not reasonably be regarded as discriminatory, bearing in mind that people may be aggrieved if a decision is not to their liking.

If you consider that you have been discriminated against within the Commission, you are encouraged to raise the issue with your Unit Head or the Personnel Manager.

You should record, immediately and accurately, verbal communications on sensitive matters, and inform your supervisor if you have any special concerns.

You should not delay unnecessarily or unduly in making decisions or taking action.

You should be honest, but prudent in your official and other dealings with colleagues and the public.

You should seek and/or offer supervision appropriate to your position and duties.

You must obey any lawful instruction by an officer of the Commission empowered to make such instruction.

The Commission's work involves close cooperation between people from different disciplines. You should make special efforts in your communication with colleagues, providing assistance and offering explanations for your requests and advice.

Loyalty to the Commission and its effectiveness as an organisation should take precedence over loyalty to colleagues.

APPENDIX 13

CODE OF CONDUCT

You should keep up with changes within the Commission particularly as they relate to your duties, and with relevant changes outside the Commission.

4. ACCOUNTABILITY

You are responsible for your own acts and omissions and will be held to account for them. If you are a supervisor or manager at any level, you are responsible also for the work-related acts and omissions of the staff you supervise.

This does not mean that you will be held responsible for every minor fault of your staff.

It means that you will be called to account for unsatisfactory acts or omissions by your staff if they are so **serious, repeated or widespread** that you should know of them and correct them, if you are exercising the level of leadership, management and supervision appropriate to your position.

Therefore it is your responsibility to make sure, in regard to the staff under your leadership, that they understand:

- what their job entails and what their duties are
- how they are expected to do their job
- what results are expected
- that their performance will be periodically and formally appraised

5. USE OF INFORMATION

Commission work involves access to sensitive and confidential information which may be the subject of inquiry, investigation or consultation. Section 111 of the ICAC Act prohibits disclosure of this information, except in the exercise of the Commission's functions. Any breach of the requirements could result in your being charged with an offence against the Act.

If you believe that disclosure of information is justified, you must document the details of the information and the reasons you are seeking disclosure. These should be submitted through a Senior Manager to the Commissioner and approval obtained before any disclosure is made.

You must exercise caution and sound judgement in discussing sensitive information with other Commission officers. It should normally be confined to those who require access to that information in order to conduct their duties, or those who can, by reason of their experience, provide useful assistance.

The Commission is entrusted by other agencies with information to assist in analytical work, inquiries, investigations or consultation. You must not access this information or use it for any purpose other than Commission work.

You must not use information gained in the course of your duties:

- in ways which are inconsistent with your obligation to act impartially
- to cause harm or detriment to any person, body or the Commission
- to gain improper advantage for yourself or for any other person or body

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Examples of the use of information for improper advantage could include:

- speculation in property or shares based on information about Government decisions or the affairs of a company
- swapping confidential information with officers of other organisations
- taking advantage for personal reasons of another person on the basis of information about that person held by the Commission
- providing information from official records to any person outside the Commission for reasons not directly related to the work of the Commission

6. PUBLIC COMMENT

You must not make official comment on matters relating to the Commission unless you are authorised to do so by the Commissioner.

The Commission's Media Policy requires that you refer all media inquiries to the Media Manager who is the official spokesperson of the Commission.

Except when making authorised comment, discussions about the Commission's work should be confined to material which is in the public domain. You should ensure that others are aware that you are discussing only material in the public domain.

This applies to published reports and discussion papers, annual reports, public relations material, transcripts of public hearings, media releases, and public addresses. No comment should be made about any other material relating to the work of the Commission unless permission has been given by the Commissioner or the Media Manager. If you are uncertain as to whether information is in the public domain you must consult the Media Manager.

You should ensure that your personal views are not presented or interpreted as official comment. Expressing personal views about the Commission's work which might adversely affect its reputation or the exercise of its functions may lead to disciplinary action.

If you are aware that comments you have made socially or inadvertently may be used to undermine or damage the Commission's work, you should notify your supervisor or the Media Manager immediately.

7. FINANCIAL AND OTHER PRIVATE INTERESTS-DISCLOSURE AND CONFLICTS

To ensure that the Commission's work is impartial and is seen to be so, there must be no opportunity for your personal interests, associations and activities (financial or otherwise) to conflict with the proper exercise of your duties.

All members of staff have made a disclosure of personal particulars prior to commencing duties. The Commissioner, in accordance with the ICAC Regulations, may also, at any time, to disclose your financial interests and those of your partner, dependent children and other persons with whom you are closely associated.

You must submit in writing the details of any changes in your personal particulars and (if you have made a financial disclosure) the financial interests of yourself, your partner, a dependent child or close associate. You should consult the Personnel or the Security Manager if you are unsure of what matters you should disclose.

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If, in the course of your duties, you encounter information which involves people, organisations or activities that you have or had a personal interest in or association with, you must make a written disclosure to a member of Senior Management. A decision will be made whether the matter represents a conflict of interest and whether your involvement with it should cease.

If you are in doubt whether to disclose a change in financial or personal circumstances or a potential conflict of interest, you should consult a member of Senior Management.

As a general rule, disclosure is always preferable. It is confidential and can do no harm, whereas a great deal of damage may be done if you have not made disclosure of an interest, association or activity which may embarrass the Commission.

There are many possible circumstances where a conflict of interest could arise. You have the responsibility to be aware of possible conflicts and bring them to the Commission's attention so that an informed decision can be made about what action to take.

Some examples are given below, but you should not regard this as an exhaustive list:

- an inquiry or investigation involves a close relative or work colleague, or a company in which you recently had an interest
- you are involved in calling tenders or organising the purchase of supplies, and you find that a close friend or relative is one of the tenderers
- you are asked to provide corruption prevention advice to a government department where you were recently employed
- an inquiry or investigation relates to a political figure or political party and you are a member of that party or an opposing political party

8. PUBLIC RESOURCES

Public resources include financial, material and human resources. All should be used effectively, without waste and for the work of the Commission.

The financial resources of the Commission are allocated under the Public Finance and Audit Act 1983 and officers are bound by the Treasurer's Directions issued under that Act. Procedures for the purchase of stores and equipment are conducted according to Commission policy established by the Manager, Finance Section.

You must be authorised to incur expenditure on behalf of the Commission and you must adhere to the above regulations and policy.

You must not obtain or use any stores items (for example stationery, furniture) for a purpose which is unrelated to the work of the Commission.

You must not use your work time, or the Commission's staff resources, for private purposes. However, there are some reasonable exceptions to this rule. For example:

- you may use the phone for private calls, if they are short, infrequent and do not interfere with work
- you may send or receive facsimile messages providing they are infrequent and do not interfere with work

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- you may, with a supervisor's permission, use Commission resources (such as computer equipment) for approved personal purposes
- you may add your mail to the Commission's for posting, but you must not ask anyone to make a special trip for you. You must provide the stamp.

You should exercise care when using equipment, and follow the service requirements, to ensure good condition is maintained.

Some equipment is shared by a number of staff. You should be aware of competing priorities and ensure that your use of the equipment does not needlessly limit access by others. You should not assume that your work has priority simply because you are in a hurry.

Commission vehicles should only be used for official business unless approval has been given for private use. Official use may include overnight garaging at your home.

Members of your family and friends should not drive a Commission vehicle unless your terms and conditions of employment permit its private use.

You must seek prior approval from your supervisor if you want to use the Commission's equipment for private purposes, for example using a Commission laptop computer for writing an essay for university studies. When using Commission equipment for authorised private purposes, you must ensure:

- you use it only in your own time
- the equipment is secure and properly cared for
- your use does not prevent colleagues from doing their work
- you provide consumables, for example, paper.

9. SECURITY

Security of information and premises is vital to the Commission's effectiveness and to the personal safety of staff.

You should ensure that you are familiar with and follow security procedures for handling and disposing of information and for access of officers and visitors to Commission premises. These and other security procedures are contained in the Commission's Protective Security Program available from Unit Heads or from the Security Manager. If you are unsure of procedures on any occasion, consult the Security Manager.

The removal of confidential documents and information, including Commission files, from the Commission's premises is permitted only in accordance with the Protective Security Program. Where it is not possible to seek permission from a member of Senior Management to remove confidential documents or information, security staff should be notified of materials removed.

10. BRIBES, GIFTS, BENEFITS, TRAVEL AND HOSPITALITY

Offences under the ICAC Act include the acceptance by officers of bribes, and the offering of bribes to officers. If you believe yourself or a colleague to have been offered a bribe you must provide a detailed written report to the Commissioner immediately that you become aware of this.

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You **must never solicit** any money gift or benefit, travel or hospitality and you must never accept any offer of money.

Accepting gifts or benefits could seriously damage the Commission's position. It is vital that:

- the impartial exercise of the Commission's functions not be influenced in any way, and
- the appearance not be created that any person or body is securing or attempting to secure the influence or favour of the Commission or any of its officers.

As a general rule, you should decline offers of gifts, benefits, travel or hospitality (accommodation, meals or entertainment). Officers who agree to speak officially at functions should, where possible, notify their hosts that it is inappropriate to offer gifts or rewards.

There may be rare occasions when refusing a gift would be perceived as rude or offensive and these occasions require that you exercise sound judgment. For example:

- You must decline any offer from an individual or organisation you know to be the subject of an investigation by the Commission, or the subject or originator of a complaint or report to the Commission.
- You must decline any offer which is individually targeted and not available to colleagues or associates who share a common task and purpose. For example, you may accept a modest lunch which is offered to a working group, but should pay for your own when you are the only person to whom an offer is made.
- You may accept an item which relates to the work of the Commission, such as a book on a relevant topic, but you must refuse items which are unrelated to your work, for example travel or sporting goods.
- You may accept a gift, benefit, travel or hospitality only if it is of a token kind, and when to refuse would be unnecessarily rude.

Do not destroy evidence of unsolicited gift-giving. The evidence may be important.

You should ensure that your partner, dependent children and other close personal associates understand these requirements and are aware that the requirements apply to them also.

If you have been offered or have received a gift, benefit, travel or hospitality you should inform your supervisor as soon as possible. Supervisors should then ensure that Senior Management is in a position to refer to the Commissioner any offers which are substantial, financially or materially, or which may be seen to compromise impartiality.

11. OUTSIDE EMPLOYMENT

If you are employed or are considering employment outside the Commission on any basis –full-time, part-time or casual-you must seek the approval of the Commissioner.

Approval will be withheld where the outside employment could compromise your position or your work at the Commission.

Police officers temporarily transferred to the Commission, who are required to attend court hearings concerning matters initiated prior to transfer, must register court commitments in

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writing immediately following notification. Officers who, in the role of constable, respond to an incident which results in the commencement of police work unrelated to Commission duties, must inform the Director of Investigation Services in writing promptly after the incident.

12. NOTIFICATION OF CORRUPT CONDUCT AND COMPLAINTS AGAINST STAFF

You must report to the Solicitor to the Commission any instance of suspected corrupt conduct:

- revealed in the course of investigation work, even if unrelated to that investigation
- revealed in the course of corruption prevention or education work
- in the course of duties generally

The Commission is committed to ensuring that there will be no recriminations against those who report suspected corrupt conduct. If you feel that you are the subject of recriminations, you should report it directly to the Commissioner.

If, in the course of your private life, you become aware of any instance of suspected corrupt conduct, you are strongly advised to report it to the Manager, Assessments or to the Director of Legal Services.

You must report directly to the Commissioner any instance of suspected corrupt conduct by a Commission officer, except in the case of suspected corrupt conduct by the Commissioner, which must be reported to the Director of Legal Services.

You must notify the Director of Legal Services of any complaint made against a Commission officer.

Under the Commission's policy on complaints against staff, the Director of Legal Services is generally responsible and will report to the Commissioner in respect of each matter. Any matter requiring investigation will be allocated to an appropriate member of Senior Management, and what is proposed after investigation will be reviewed and approved or otherwise by the Commissioner personally.

In respect of any more serious or difficult complaint against a staff member, a person from outside the Commission may be engaged to assist.

13. SANCTIONS

Sanctions may be applied if you are involved in:

- unacceptable behaviour, either in the course of your duties or in your private life
- unsatisfactory performance of duties
- breaches of the code of conduct
- actions which can be prosecuted as breaches of the ICAC Act

The sanction/s to be applied will depend on how serious and/or repeated breaches are considered to be. They may include:

- counselling by your supervisor, a member of Senior Management, or in extreme cases by the Commissioner

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- a record of behaviour being documented and placed on your file
- not being recommended for further term of employment
- dismissal
- prosecution

For example, an officer may be counselled by a supervisor for inadvertently giving confidential information to the media. An officer may be dismissed for knowingly leaking confidential information to the media.

Clause 3 of the terms and conditions of your employment states, in part, that your employment with the Commission may be terminated by either yourself or the Commission on the provision of two weeks' notice on either side, or pay in lieu. The Commission will not necessarily give a reason for terminating employment.

This provision will not be taken lightly by the Commission, and is likely to be used only for serious cases of gross inefficiency, for misconduct or where a substantial security risk is evident.

In cases where no reason has been given for dismissing an officer of the Commission, you should discount any rumours you may hear, and positively discourage their circulation within or outside the Commission.

14. RESPONSIBILITIES OF OFFICERS WHO HAVE LEFT THE COMMISSION

In accordance with the general terms and conditions of your employment, you must not without the permission of the Commission:

- make public or otherwise use any confidential knowledge or information gained as a consequence of your employment with the Commission, or
- distribute, publish, mail or otherwise permit to go out of your possession any confidential information gained as a direct or indirect result of your employment with the Commission.

At the end of your employment with the Commission, you must return any documents or items which relate to the Commission's work and which are not otherwise publicly available.

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