
INDEPENDENT COMMISSION AGAINST CORRUPTION

ANNUAL REPORT 1993

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This report and further information about the Independent Commission Against Corruption can be found on the Commission’s website at www.icac.nsw.gov.au

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INDEPENDENT COMMISSION AGAINST CORRUPTION

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

The Hon K R Rozzoli, MP
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 its Annual Report for the year ended 30 June 1993.

The Report has been prepared in accordance with the requirements of s76 Independent Commission Against Corruption Act 1988 and the requirements of 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 black ink, appearing to read 'Ian Temby', followed by a period.

Ian Temby QC
Commissioner

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INTRODUCTION

The Independent Commission Against Corruption is an independent body accountable to the people of NSW through the Parliament, it was established in March 1989 as a statutory corporation under the independent Commission Against Corruption Act 1988.

The Commission's main purpose is to expose and minimise corruption by working to improve the honesty and integrity of the NSW public sector, This includes all departments, statutory authorities, local government, members of the Parliament, and the judiciary.

The Commission does not have a prosecution role, Where an inquiry identifies evidence of criminal conduct, the Commission may prepare briefs of evidence which are then considered by the Director of Public Prosecutions.

The three principal functions of the Commission set out in the Act are:

Investigation - investigating and reporting on matters with the view to exposing and deterring corrupt conduct, Where appropriate, prosecutions are recommended.

Corruption Prevention - reducing opportunities for corruption by advising and working with the public sector on improvements to procedures and work systems.

Education - educating the community and public sector authorities about the detrimental effects of corruption, and demonstrating the benefits which flow from strategies to reduce corruption,

The major sources of work for the Commission are complaints from the public and reports from public authorities, The Commission must act on references from Parliament and can work on joint task forces with other agencies such as the New South Wales Police Service. The Commission also has the authority to initiate its own investigations and corruption prevention work.

In February 1993 the Commission completed and published its 1993-1995 Corporate Plan,

The Plan identifies five objectives:

- Facilitating public understanding
- Improving public sector integrity
- Meeting statutory accountabilities
- Ensuring effective corporate management
- Ensuring equitable personnel practices



COMMISSIONER'S OVERVIEW

Until a few years ago, New South Wales did not enjoy a good reputation for the integrity of its public sector when compared with the rest of Australia. Sydney in particular was looked upon as a city of low values.

In recent years two significant shifts have occurred. First, New South Wales has initiated many changes for the better in the administration of its public bodies, and is now - by general acknowledgment - far cleaner than in decades past. Secondly, on closer inspection the rest of Australia no longer looks as good as many of us thought was the case. To take one example only, in each of the other states there have been major scandals and large Royal Commissions in their wake since the middle 1980s.

When compared to the rest of the world the position appears even more favourable. Australia enjoys enviable advantages, some of which tend to be overlooked or taken for granted;

- a long tradition of participatory democracy
- a developed economy which is generally capable of delivering basic services to the people in a timely and cost effective fashion
- strong public institutions, well able to withstand constitutional and political shocks which would elsewhere cause violence

a public which looks to its leaders for improving standards of integrity, and is less tolerant of corruption



Mr Ian Temby QC, Commissioner

New South Wales can fairly claim to be a relatively virtuous society. Even if one concentrates only upon the developed world, that is true when the comparison is with Japan, or Italy, or most of the United States of America. The point is even more obvious when the comparison is with the component parts of the former USSR, or most of Africa, or some of the countries in the Asia-Pacific region,

Those who conceived the Independent Commission Against Corruption in 1987 and 1988 can take pride in the fact that their actions anticipated events almost throughout the world. Everywhere the demand is for higher standards of integrity in public life. Of course the ICAC has been only one contributor to the improved integrity climate since it came into operation in early 1989, but that contribution is undeniable. In many areas the Commission has acted as an effective agent for principled change. It has helped to

improve many public sector systems in a way that decreases their vulnerability to corrupt influences, In many reports to the Parliament it has disclosed improper practices and recommended change. All of this has been done in an open and accountable way, indeed some would say in an excessively open way, But if a body such as the ICAC operated behind closed doors, it would be portrayed as surreptitiously evil and would enjoy no public confidence.

These general observations may be seen as justified because this is the last Annual Report which will be prepared during my period as Commissioner; I am bound to depart in the first quarter of next year, The Report aims to catalogue the achievements and problems encountered over the past year to 30 June 1993.

There have been negative aspects, in particular two significant Supreme Court decisions adverse to the Commission, One was from the Court of Appeal in the Metherell/Greiner/Moore matter, when in August 1992 the Commission's findings of corrupt conduct against the former Premier and the former minister for the Environment were set aside. The second was in January 1993 when a single Judge directed that the Commission's major inquiry into the relationship between police and criminals must proceed in private, That decision was reversed by the Court of Appeal some three months later, but in the meantime the hearing had been conducted in private with the result that sources of information substantially dried up.

The work of the the Commission has been affected by the Court of Appeal decision in the Metherell matter, in essence that decision, in certain circumstances, removed a significant group of public officials and statutory appointees from the Commission's jurisdiction. It produced an inequitable result in that, in identical circumstances, most public officials fall within the Commission's jurisdiction, while others do not. The Court of Appeal decision meant the Commission is unable to address some matters of a very serious nature.

As a result of the Metherell decision, the Parliamentary Committee on the ICAC conducted an inquiry into the Independent Commission Against Corruption Act 1988, and has made recommendations for change. The Commission's view is that the Act can be amended in a manner generally consistent with the report of that Committee so as to render it more effectively workable than it now is.

It is heartening that the Premier and a number of other prominent political figures have pledged the continued existence of the Commission with powers which are effectively undiminished, even if varied in detail,

Noteworthy achievements in the past year include;

- the publication of 19 reports of investigations and corruption prevention projects
- the completion of a public education campaign during which Commission officers visited 90% of the State over an 18 month period to explain the Commission's work
- the commencement of a major research project, the first of its kind in Australia, seeking to determine the nature of public sector employees' views and understanding of corruption

In 1992, the Commission published its report on the unauthorised release of government information which identified an endemic and systematic abuse of the rights of private citizens as well as widespread abuse of power and privilege by public sector employees. It is pleasing to note that a number of public sector organisations are acting on recommendations from the report to eliminate opportunities for corruption.

The Commission report on the use of prison informers, published in January 1993, identified matters fundamental to the system of justice in the State. The Commission's work highlighted matters of principle, accountability and conformity with rules and procedures. As the report noted, what matters most is to fix up the system. Great progress has since been made in particular by the Department of Corrective Services and the Director of Public Prosecutions.

The report entitled "*Integrity in Public Sector Recruitment*" completed the Commission's report to Parliament in the matter which has become known as the Metherell Affair". The report proposes measures to reduce the opportunities for corruption in the recruitment process and to ensure that recruitment is conducted in an open, accountable and efficient fashion,

As at the end of June, hearings were continuing in the investigation into the relationship between police and criminals. The investigation has been controversial but, without prejudging its outcome, necessary and in the public interest. Throughout the investigation the Commission's aim has not been to make a "body count" of corrupt police, but instead to help the vast mass of honest officers by identifying past failings and encouraging attitudinal change.

The Commission exists to improve integrity in the public sector of New South Wales. It has by now gathered vast institutional experience, which will continue to be utilised for the benefit of the State and its people.

1 August 1993

Ian Temby QC
Commissioner



1 UNDERSTANDING CORRUPTION

Corporate Plan Objective – Facilitating Public Understanding

Public understanding of the nature of corruption and its detrimental effects is essential to the Commission's long term success.

Much of the Commission's work has been aimed at changing community attitudes by raising awareness through information and education activities. These have included:

- Presenting corruption as a concern to all through stressing its economic, social and personal cost
- Challenging attitudes which hinder action against corruption, such as "don't dob on mates", and "corruption is a victimless crime which doesn't hurt anyone"
- Providing information and examples on the nature and manifestations of corruption
- Promoting the importance of changing community standards to achieve the success of anti corruption measures

A theme, "Corruption Costs" has been adopted to emphasise the personal, social and economic costs of corruption. This theme will be used by the Commission in 1993/94.

The Commission wants to develop a partnership with the community in bringing about reforms and higher standards of conduct in the public sector.

Information and Education Activities

Publications

The Commission this year produced 19 reports of investigations and corruption prevention projects. A total of 51 reports have been produced since the Commission's inception in March 1989. All publications are developed and designed in house,

This year the Commission's Research Unit conducted a survey of readers of Commission investigation reports which found:

- 1 Most public sector organisations have somebody 'read' the Commission investigation reports when the matters covered are considered relevant to the organisation.
- 2 Of the individuals requesting Commission reports, 42% were NSW public sector employees, who were interested in the reports for work related rather than personal reasons.
- 3 Most readers were interested in the conduct discussed, the recommendations made, and the issues raised in the reports, Less than one-third of readers were interested in the actual persons named in the reports,
- 4 A number of organisations indicated they would prefer the Commission to provide summary reports, saying the length of the reports made it difficult to determine if the issues raised were of relevance to them.
- 5 Many readers appreciated the clear writing style of the investigations reports.

Advertising

An outdoor poster advertising campaign was conducted in June, this year, to introduce the "Corruption Costs" theme to Metropolitan Sydney audiences. 120 posters were displayed on billboards at railway stations and major intersections.

Film & Video Competition

The Commission is sponsoring a film and video competition for tertiary students in New South Wales. In February, communications and media students were invited to prepare a film or video dealing with social and institutional corruption. The competition is aimed at fostering critical debate and analysis of corruption issues among students, many of whom will become journalists or film makers. To date, 20 entries have been registered from tertiary institutions across NSW. Judging will take place in November and winners will be announced in December.

Schools

An Education Officer visited 62 primary and secondary schools across the State this year. Apart from increasing young people's awareness of corruption issues, the visits have also enabled closer links to be formed between the ICAC and school teachers. School groups regularly visited the Commission to view hearings in progress.

In addition to information about the Commission and its role, students have been given presentations which focus on the need to speak out against improper practices, even in the face of strong peer group pressure.

The ICAC's work will be further integrated into the education system through the appointment of a Curriculum Project Officer to work with the NSW Department of School Education.



Billboard at Central Station

The curriculum project work will build on the school activities of the last 2 years and develop suitable learning techniques to foster long term ethical values.





This costs more than you think

Countries bleed to death from corruption. Public money being poured down the drain is bad enough, but corruption is about more than money. It's about dodgy deals, misuse of confidential information and the abuse of power. Politicians alone can't measure the true costs of corruption.

whichever way you look at it **corruption costs**

Examples of posters featured on 120 billboards around Sydney.

2

Public Contact Activities

Activities in the past year have included the following:

- Education Officers visiting 41 towns in country areas
- a display at the Wollongong Lifestyle Exhibition (October)
- a display at the Book Fair in Sydney (June)
- Education Officers speaking to 142 school and community groups

Media Relations

The media is the key means of communicating with the public. Media reports help inform people about the work of the Commission and why its work is relevant to them.

Continued coverage and interest from the media is necessary for the Commission to achieve its goal of increasing public understanding about corruption, and the importance of its anti-corruption work.

Media coverage on the Commission's activities in the past year has been extensive. Evidence led in the investigation into the relationship between police and criminals has, at times, been dramatic and controversial, and the media coverage has reflected this. The Commission has actively sought to encourage accuracy and fairness in the media reporting of this investigation.

Closer links have been developed with public sector agencies through joint media activities and statements that the Commission has cooperated with others on particular projects or issues. These agencies have included the Housing Department, Department of Local Government, and the Police Service.

Media statements issued by the Commission during the year are listed at Appendix 1,



Billboard at Blacktown Station



Public Attitude Surveys

Public attitude surveys have been conducted at regular intervals since the Commission was established. Surveys conducted over the last 2 years revealed;

- the majority of respondents agree that corruption exists in the NSW public sector;
- a majority of people surveyed believe that something must be done about public sector corruption in NSW, as opposed to those who believe that nothing can be done about corruption or that there is so little corruption it is not worth doing anything about it
- in the most recent survey (October 1992), nearly 80% of respondents had heard of the ICAC
- awareness among respondents of the Commission's functions was limited, especially in relation to its educative and preventative work

Through a range of strategies in 1993/94, the Commission will encourage greater public awareness of its preventative and educative functions

Customer Service

Openness and accountability are important values of the Commission.

In response to the government's Customer Service Project, the Commission is examining its relationship with key 'users' who come into contact with the Commission through investigations, corruption prevention and education activities.

A Guarantee of Service will be established during the 1993/94 year, Feedback mechanisms to obtain comments and suggestions on improvements on how the Commission operates will also be developed and implemented.

Staffing

While the Commission's investigative, preventative and educative strategies work together, prime responsibility in the Commission for increasing public understanding about the nature of corruption and the work of the Commission rests with the Education and Media Units.

At June 1993, these Units comprised six officers. A Curriculum Project Officer has since been appointed to develop curriculum proposals and educational resources for secondary schools in New South Wales. Further expansion of the Education Unit is likely.

The prime responsibility for working with journalists and media organisations rests with the Media Unit.

Commission Staff Education/Training

Recognising the need to educate its own staff, Commission induction and training courses are being developed to include ethics education. This education will increase staff understanding of the public duty requirements of their work and the principles behind the Commission's code of conduct.

Future Directions

All too often, corruption is mistakenly thought to be a victimless crime - an activity which, while undesirable, does not impact on individuals. The Commission's work in investigating and exposing public sector corruption shows this is not the case, that the impact of corruption can be far reaching and of relevance to the lives of all citizens.

The Commission's challenge for the coming year is to provide more opportunities for people to learn about the cost of corruption and the ways in which it manifests itself in the public sector,

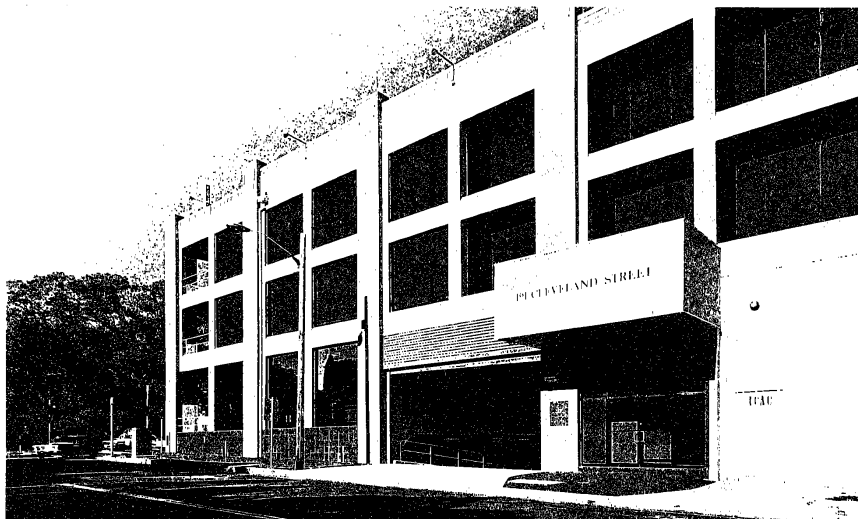
Greater media coverage of corruption prevention and education work will be encouraged,

more attention will be given to working cooperatively with public sector organisations and secondary schools. The production of educational resources to assist with the integration of corruption issues to existing activities, will ensure the Commission provides tangible support for teachers, trainers and educators.

As much of the ICAC's investigative efforts during the past year have been devoted to police matters, the Commission will explore opportunities to work with the Police Service on strategies for education and training.



The 1993 Australian Bookfair at Darling Harbour



ICAC

2 MINIMISING CORRUPTION

Corporate Plan Objective - Improving Public Sector integrity

The Commission recognises that real and lasting improvement in public sector integrity can occur only when the desire for change comes from within each organisation. Integrity is not a condition that can be imposed on any given situation by decree. It must be generated internally, and become part and parcel of corporate practice.

To this end, the Commission works to help public sector managers and staff develop and implement systems to prevent and minimise corruption. Put simply, to bring about a recognition that prevention is better than cure. This has been achieved in the following ways:

- by providing advice to government agencies on improvements to procedures and practices
- by corruption prevention projects which examine specifically the detailed operation of a government system and make recommendations to reduce corruption opportunities
- by seminars, conferences and publications designed to increase corruption awareness in public officials

While all areas of the Commission assist efforts to improve public sector integrity, the Corruption Prevention Department has daily direct contact with state and local government agencies.

At June 1993 the Corruption Prevention Department consisted of 11 people including a Director.

Achievements In 1992/93

The Commission always aims to ensure that its assistance is effective, timely and of practical value to the organisations it helps. The approaches used in earlier years have continued but important changes in emphasis are occurring. A detailed list of the work completed and continuing is given in Appendix 2.

Advice to the Public Sector

Over the year advice was given to public sector agencies on more than 100 matters which came to the Commission by way of complaint or report,

Many government agencies have requested advice from the Commission about tendering, contracting, privatisation, use of public resources, declaration of private interests, and a host of other issues. Occasionally it is necessary to decline the request because the agency's process is already too far advanced for the Commission to have any real impact. A careful distinction is made between constructive comment on the process and interference in the outcome. 80 advices responding to requests from public sector organisations were finalised in the year

Since 1989, many Commission reports have focussed on the problems of tendering and purchasing in the public sector and about one third of the advice work of corruption prevention staff relates to tendering problems. Individual pieces of advice are provided confidentially to the relevant organisation.

To make some of this advice accessible to a wider audience, the Commission prepared and published a set of 15 case studies in June 1993 under the title "Pitfalls or Probity". The booklet suggests ways to solve commonly occurring problems while reiterating the key principles involved

Many organisations have sought advice from the Commission on aspects of their codes of conduct. The Commission considers that codes play an important part in improving integrity in the public sector, officers within public sector agencies should understand the values of the organisation and its approaches to matters of integrity and conflicts between personal interests and official duty. A code which is relevant to the particular workplace and helpful in resolving ethical issues which may arise for staff will meet this need.

During 1992/93 the Commission reviewed its own Code of Conduct. it was decided to publish details of the review's development, findings and conclusions to assist other public sector organisations.



Another initiative aimed at broadening the Commission's outreach was an analysis of the agencies with which little or no advice or other corruption prevention work had been done.

It was decided to increase advice work to those agencies with which the Commission has had only limited contact. Complaints or reports which raise issues of corruption prevention are being used to determine which agencies could benefit from the Commission's work. Similarly seminars and other educative work will be targeted at those agencies.

Corruption Prevention Projects

Another way in which the Commission assists public sector organisations to improve public sector integrity is through examining the detailed operation of systems in one or more government agencies. This involves working with the agency to look at policies and procedures and the practical operation of the system. The work results in a report incorporating practical recommendations to reduce corruption opportunities whilst maintaining or improving efficiency.

One of the projects finalised last year examined the accuracy and completeness of criminal history records. Criminal history information is recorded, updated and transmitted by a number of different agencies, each of which has different objectives. The Commission's officers presented the project findings in August 1992 to the Attorney General and Ministers for Police and Justice. The report showed that there was a severe problem with the completeness of the records held by the police. The courts need but do not obtain accurate, comprehensive and timely criminal history information. An

inter-portfolio working party is now considering the project findings and options for improved integration of the criminal records system,

A large number of complaints to the Commission have pointed to system failures and opportunities for corrupt conduct in the hiring of common road construction equipment by State agencies and local government. About \$120 million a year is spent on plant hire by public sector agencies. A project completed during the year examined ways to ensure probity and efficiency in these processes, Recommendations on the selection and engagement of potential contractors, the way in which hired plant is managed and accountability of managers for their decisions in the use of hired plant were made in the report. This report was published in December 1992 and sent to about 250 relevant state and local government organisations,

Another important project aimed at reducing the risk of fraud or corruption dealt with cash handling in public hospitals. In the largest hospital examined some \$4 million of cash transactions occurred annually. The report, published in July 1992, suggested that hospital managers should assess cash services on a cost/benefit basis and consider contracting out non-core services which were not profitable. The Treasury examined the report and concluded that it could be of value to other cash handling agencies. The Treasury suggested that those other agencies should review their cash handling arrangements and take the recommendations into account.

The Commission's corruption prevention and investigative work is being integrated in the current inquiry into the relationship between police and criminals. The Commission hearings identified significant systems issues for the Police Service concerning the management of criminal investigations, The Commission decided the best way to deal with these issues was a corruption prevention project, running in parallel with the public hearings. The Commissioner for Police agreed with this approach and in May 1993 he and the ICAC Commissioner jointly announced the project,

The project is not examining methods of criminal investigation, it is concentrating on management, administration and accountability.

The project will make recommendations about:

- the day to day management of criminal investigations
- lines of accountability and supervision
- the establishment and maintenance of records of investigations and prosecutions
- the decision making process for the allocation of cases to particular officers and the selection of officers to serve on task forces
- the management of prosecutions including accountability for ensuring the attendance of key witnesses and the presentation of evidence at hearings
- the impact of regionalisation on investigations

The research for the project is being carried out through a series of case studies at patrol, district, regional and central levels of the Police Service. A team of three corruption prevention officers is involved. The case studies are being supplemented by a series of interviews with relevant experts and research of available literature.

A discussion paper is expected to be released in September 1993 to be followed by a period of public comment. A final report is expected in March 1994.

Another area of interest to many agencies is sponsorship of public sector organisations by companies or businesses. The Commission is developing a set of basic principles to guide agencies in dealing with sponsorships. A discussion paper outlining a draft set of principles and raising other issues of concern has now been completed and discussed with the office of Public Management. The sponsorship discussion paper is to be published in August 1993 and will be followed by a period of comment. A final set of principles will be completed early in 1994.

Monitoring Project

The Commission follows up corruption prevention project reports to see whether recommendations have been implemented and whether they have been effective. If the earlier project was relevant to a number of government agencies or where several options were proposed, the monitoring work may take the form of a new project. In such cases the Commission will generally publish a further report on the outcome of the monitoring action.

The project on the purchase and sale of local government vehicles, completed in December 1991, used case studies of vehicle purchase and sale at five local government councils to develop recommendations primarily for consideration by local government and county councils. The project sought to minimise corruption opportunities and ensure councils get best value for money in this area,

The monitoring work included a detailed survey by questionnaire sent to all 216 local councils and county councils. Sixty-nine percent (69'0) of the questionnaires were returned, a good response rate. Responses indicated that 469'o had made changes based on the recommendations, and 219'o had changed purchase/sale procedures in other areas. The monitoring report was published in April 1993. It included further discussion of key issues in the light of comments made in the questionnaires and at discussion meetings with local government managers.

Monitoring work on the cash handling project referred to above will cover both the state's public hospitals and the other public sector agencies which handle cash. The work is being undertaken in conjunction with the Departments of Health and the Treasury.

Sometimes the monitoring work shows that implementation of report recommendations has not been finalised. In the last year an example of this arose with the Road & Traffic Authority driver licensing project. Since completion of the project in April 1991 most of the 39 recommendations had been implemented. However, substantial delay in introduction of a major computer system prevented the finalisation of several important recommendations. The Commission expects to re-visit motor registries and other relevant areas in the second half of 1993 and to complete the monitoring work.

Seminars, Conferences, Education and Training

A priority for the Commission in its work with the public sector is to increase public officials' awareness of the existence of corruption, and to recognise its manifestations. Emphasis is placed on techniques through which it can be minimised,

The Commission was involved in more than 30 seminars and conferences in the last year. Seminars are usually arranged in response to requests from government agencies and are designed to address the organisation's specific functions and stated areas of concern. Officers speak at conferences on a range of topics. Topics frequently addressed include;

Creating an ethical environment
Codes of conduct
Purchasing and tendering
Conflicts of interest
Internal reporting of corrupt conduct
Protection of confidential information
Role of internal audit in corruption prevention

The Commission considers an effective strategy is the inclusion of training modules on corruption issues and corruption prevention techniques in existing management, financial and personnel practice courses. This will ensure that information about the potential for corruption to occur is incorporated into staff and organisational development processes as a matter of course. During the last year the Commission commenced this strategy with a number of public organisations, notably the Property Services Group, the Ethnic Affairs Commission and the Health Department.

In October 1992, the Commission organised a seminar on the public report of its investigation into the unauthorised release of government information. The seminar brought together senior managers of state government organisations which collect information, peak organisations which represent banks, insurance companies and lawyers, plus commentators on privacy and technological issues.

It provided a forum to further inform the public and promote debate on important issues arising out of the Commission's investigation. It gave affected organisations the opportunity to indicate what they have done or what they plan to do to end the illicit trade in government information. The Commission published the proceedings of the seminar in February 1993.

Research Project – Public Sector Employees' Views Of Corruption Study

In order to gain some insight into public sector employees' views of corruption, the Research Unit is undertaking the first large scale survey of attitudes to corruption in Australia. Using a randomly selected sample of approximately 2000 public sector employees, the study aims to explore where legal and social definitions of corruption meet or diverge. Though commenced in 1991/92, the study was placed on hold due to the Metherell matter. It was not considered appropriate to conduct such a survey while the definition of corruption was being debated in the media and in the courts. Completion is expected in the first half of 1993/94. The information collected in the study will increase the Commission's understanding about factors which may affect public sector employee's views about corruption and reporting corruption. This information is intended to assist the Commission and managers of public sector organisations to plan future strategies and initiatives.

Future Directions

In 1993/94 the Commission will increase its emphasis on education and corruption prevention activities.

It will offer assistance to agencies in their development of corruption prevention strategies, working closely with the Auditor General's office.

Over the last two years the focus of the corruption prevention work has broadened as to both issues covered and organisations assisted. This broadening will continue to ensure the Commission's outputs are of value to the widest possible audience.

Co-operative efforts with central policy units of Government will focus on adding value to their guide lines and standards which are designed to assist agencies in implementing government policies.

Seminars and education work with public sector organisations will be delivered in the major regional centres where many public sector employees are located as well as in the metropolitan area.

The Commission views ethics education for public officials as closely associated with its work to improve public sector integrity. Greater effort will be made in the coming year to include ethics education as part of the assistance the Commission provides to the public sector.

The individual and organisational responsibility for solutions to corruption is stressed in educational activities with the public sector. The Commission aims to overcome a dependence on external agencies like itself to 'do something' about corruption, and wishes to promote the notion of improving public sector integrity as a challenge for all.



Major Hearing Room at the ICAC premises

ICAC

3 COMBATING CORRUPTION

Corporate Plan objective-Meeting statutory accountabilities

Conducting investigations and hearings and producing reports are critical elements of the Commission's work. In every case the Commission must discharge its responsibilities in an accountable and visibly lawful way.

The ICAC has been given extraordinary powers to investigate and expose corruption in New South Wales.

The State Parliament entrusted the Commission with those powers because it believed traditional methods of combating public sector corruption had not been successful.

In carrying out its unique work, the Commission is bound to regard the protection of the public interest and the prevention of breaches of public trust as paramount. The Commission is also committed to ensure that it does not treat those people who become involved in its processes unfairly.

Investigations, Functions And Powers

The Commission may conduct an investigation on its own initiative, of a complaint made by any person, of a report made by the head of a government agency or on the basis of a reference from both Houses of Parliament. The Commission must fully investigate a matter referred to it by Parliament; otherwise it has the discretion whether or not to conduct an investigation, subject to having to consult the Operations Review Committee before deciding to not commence an investigation of a complaint. Each investigation commenced by the Commission has documented terms of reference signed by the Commissioner.

Powers

The Commission may require a public authority or public official to produce a statement of information (s21) and may require any person to produce specified documents or things (s22). Both powers are exercised by written notice. During the reporting year the Commission issued 20 notices requiring production of a statement of information and 316 notices requiring production of documents or things.



Commission officers authorised in writing by the Commissioner may enter premises occupied by a public authority or public official, inspect any document or thing in the premises, and take copies of any document (s23). The Commissioner issues written authorisations specific to particular investigations and premises. During the year the Commissioner issued seven such authorisations.

On application by an officer of the Commission, an authorised justice or the Commissioner may issue a search warrant if satisfied that there are reasonable grounds for doing so (s40). A Commission officer may apply for a search warrant for premises in which he or she reasonably believes that there are or will be things connected with a Commission investigation. The Commissioner's policy is that generally search warrants should be sought from authorised justices. No search warrants were issued by the Commissioner during the year. 16 search warrants were sought and obtained from authorised justices during the year 1992/93.

One arrest warrant was issued under s36 of the ICAC Act to obtain the attendance of a witness at a hearing.

Section 19 of the ICAC Act permits the Commission to apply for the issue of a warrant for the use of a listening device under the Listening Devices Act 1984. During the year the Commission obtained 20 warrants for the use of listening devices from judges of the Supreme Court,

The Telecommunications (Interception) Act 1979 enables the Commission to apply for warrants to intercept telephone calls, in connection with the investigation of the restricted class of offences specified in that Act, which do not include corruption offences. Therefore the Commission's use of this power is limited. During the reporting year the Commission obtained 8 interception warrants from judges of the Federal Court, 3 of which were subsequently revoked for technical or administrative reasons

The Commission issued 2 summonses against 2 individuals under s100 of the ICAC Act. The individuals and a third person were called upon to show cause as to why they should not be dealt with for contempt of the Commission. One, the Cornwall matter, proceeded to a hearing before the Supreme Court. The other two matters did not proceed after the individuals provided explanations to the Commission.

HEARINGS

The Commission may hold hearings for the purposes of an investigation (s30) and can summon a person to appear at a hearing to give evidence or produce documents or both (s35). 157 summonses were issued during the year. A further 32 orders to produce prisoners before the Commission were made (s39).

Hearings are conducted by the Commissioner or an Assistant Commissioner. The Commission may hold hearings in public or in private, or partly in public and partly in private (s31). In making decisions to hold hearings in public or in private the Commission is obliged to have regard to any matter related to the public interest. The Commission may give directions as to the persons who may be present at a private hearing (s31), and may make orders prohibiting publication of evidence at a hearing (s 112). The Commission may permit a witness in a hearing, or a person or group who is substantially and directly interested in any subject matter of a hearing to be legally represented at the hearing. The Commission has published bearing procedures which deal with the conduct of hearings and matters to be considered in deciding whether hearings will be held in public or in private. The procedures are available from the Commission.

When the Commission holds a public hearing, or conducts an investigation pursuant to a reference from the Parliament, the Commission must provide a report to Parliament. The Commission may prepare reports in relation to any other investigation. (s74)

During the year hearings were held in five investigations:

Matter	Public Hearing Days	Private Hearing Days
SRA Plant Hire (No 45)	4.5	3.5
Relationship between Police and Criminals (No 39)	54	43.5
Ombudsman (No 59)	1	0.5
Coffs Harbour (No 47)	5	3
Metherell (No 52)	0.5	-
TOTAL	65	50.5

Matters Referred to the Commission

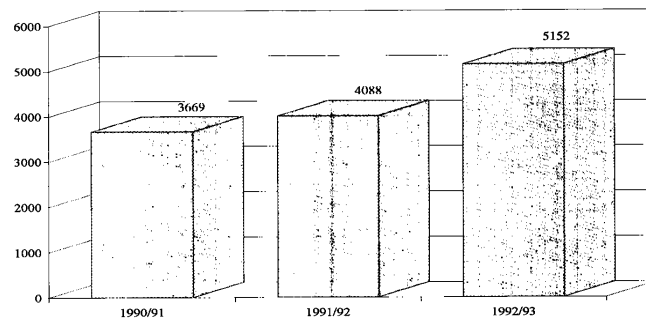
During the year 5152 individual matters were referred to the Commission, an increase of 26% on the previous year. All matters are classified into one of eight categories to ensure that Commission resources are properly applied.

Briefly, the classifications are:

- Complaints come from the public as to matters which concern or may concern corrupt conduct by any person, so 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.
- Reports relate to the duty imposed by s11 of the ICAC Act, on principal officers of public authorities, to report where there is a reasonable suspicion that a matter concerns or may concern corrupt conduct.
- Information covers matters which do not of themselves constitute a complaint about corrupt conduct, but do convey information about a circumstance or situation which has 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 sector agencies) which may relate to corrupt conduct. Examples of such agencies include the National Crime Authority, the Australian Federal Police and the Commonwealth Ombudsman.
- Own Initiative describes those matters which are initiated by the Commission, without a complaint or report having been received, Such matters can, for example, have been prompted by media reports.

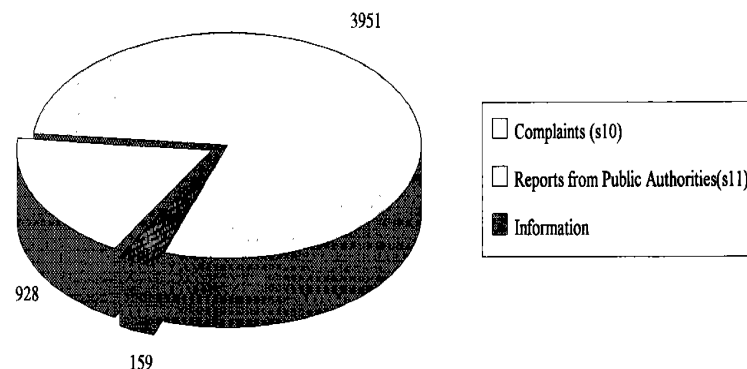
- Referral from Parliament relates to a provision in the ICAC Act for the NSW Parliament, by a resolution of each House, to refer a matter for investigation to the Commission, No referrals were made during the year.
- Outside Jurisdiction classifies those matters which do not involve either corrupt conduct or NSW public officials, or do not relate to the functions of the Commission, Where possible, persons making complaints which are outside the Commission's jurisdiction, will be referred to another appropriate agency.

The following chart sets out the numbers of matters received over the last three years.



Of the 5152 matters received, 114 were deemed to be outside jurisdiction.

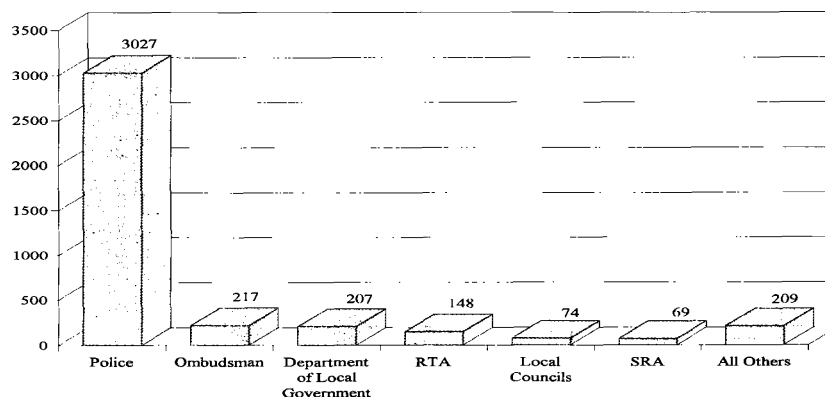
The following chart shows the number of remaining matters and their classifications.



Public sector organisations report to the Commission pursuant to s11 of the ICAC Act which imposes a duty upon certain public officials to report corrupt conduct to the Commission. A number of public authorities, through special arrangements with the Commission, fulfil their s 11 obligations by reporting suspected corrupt conduct in a regularly supplied schedule. This is the preferred reporting format for those authorities with a high volume of matters to be reported. Other public authorities report matters individually. A table showing the sources of public sector reports follows.

ICAC

REPORTS FROM PUBLIC SECTOR



The Commission continues to be concerned at the apparent reluctance of many public authorities to report suspected corrupt conduct in a timely manner or, in some instances, report at all. This inhibits the Commission in its work and adversely affects public accountability systems.

The Commission is giving particular attention to s 11 reporting by public authorities. Agencies which have been identified as not fulfilling s 11 obligations will be encouraged through a range of strategies to improve their levels of compliance. These strategies include meeting with principal officers, nominating liaison officers within the Commission to support organisations in developing and improving reporting arrangements and conducting information briefings to senior managers about the obligations imposed by s 11.

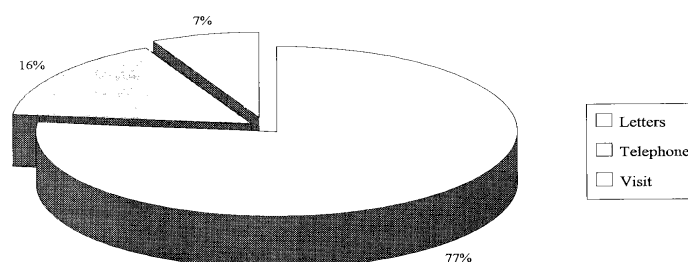
Complaints from Public

Complaints can be made to the Commission in writing, by telephone or in person. The Commission accepts anonymous complaints, although often the lack of information conveyed and the inability to obtain further details from the complainant mitigates against effective investigation. Of the 928 complaints received this year from members of the public, 20% were anonymous.

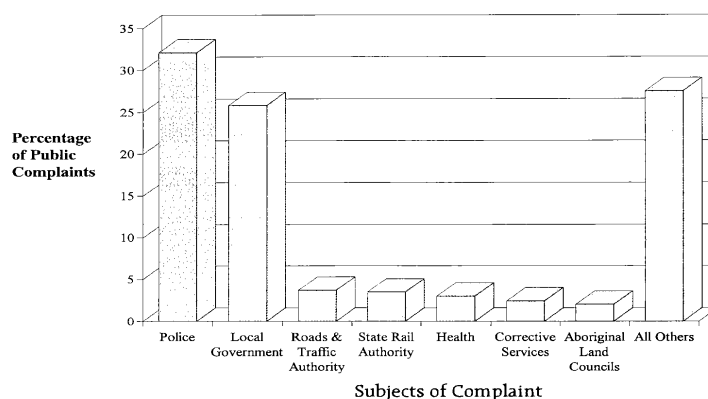
The charts on the next page illustrate how complaints were received and the public sector organisations which were the subject of more than 20 complaints.

ICAC

FORM OF COMPLAINT



NATURE OF COMPLAINT



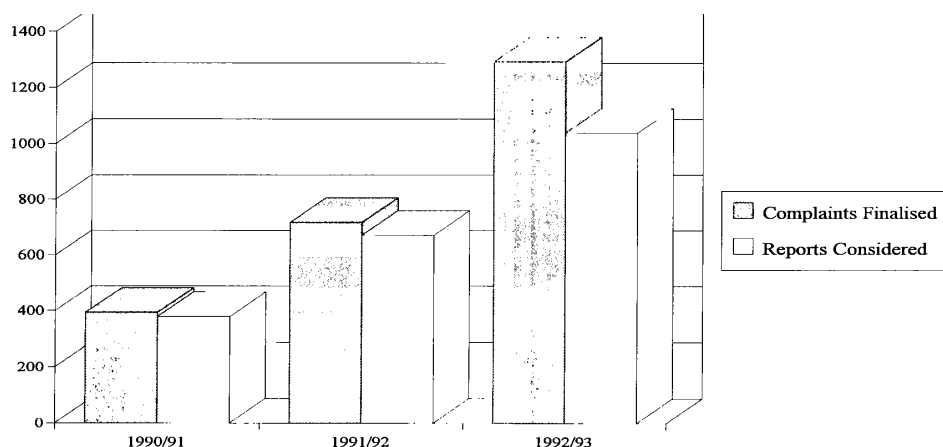
Operations Review Committee (ORC)

The Operations Review Committee, established under the Act, is a unique accountability mechanism for the Commission's complaint handling and investigative work. No other agency in Australia which handles complaints or has investigative functions has such a committee.

The Committee's functions are to advise the Commissioner whether the Commission should not investigate a complaint made by a member of the public or discontinue an investigation of a complaint, and to advise the Commissioner on such other matters as the Commissioner may refer to the Committee. The Commissioner informs and consults the ORC about formal investigations. The ORC does not consider reports by public authorities under s11, unless they lead to an investigation.

Members of the Committee receive detailed reports about each complaint received. The reports detail the extent of inquiries undertaken, an assessment of the matter and a recommendation as to any further Commission action. Members also regularly receive progress reports on investigations and are briefed on a range of other matters such as complaint handling procedures.

ICAC



In July 1992 the Parliamentary Committee on the ICAC recommended that the ORC also be enabled to audit the Commission's categorisation of matters as 'information'.

Since February 1993 the Commission has provided the ORC with a schedule of matters classified as 'information' Files on these matters are available for examination by the ORC on request.

As required by the Act, the Committee comprises the Commissioner, who is the Chairman, an Assistant Commissioner, the Commissioner of Police, a nominee of the Attorney-General and four persons to represent community views. During the year the Committee consisted of the Commissioner, Mr Temby QC, Assistant Commissioner Mr P McClellan QC, Commissioner of Police Mr A Lauer, the Director General, Attorney-General's Department Mr L Glanfield, and the community representatives Mr D Brezniak, Ms C Niland, Reverend B Ballantine-Jones and Mr D Nutter. Mr Nutter's appointment expired in March 1993, at which time Mr j Bragg was appointed to the Committee. At that date Mr Brezniak, Ms Niland and Reverend Ballantine-Jones were re-appointed.

The ORC held 11 regular meetings during the year and one special meeting in February 1993 to consider a large number of older complaints.

Assessment of Complaints

Over the last twelve months significant attention has been given to improving the service given to complainants and the speed with which matters are addressed, All complaints held within the Commission for more than six months now have a monthly status report forwarded to the ORC. The status report includes a recommendation on proposed future action and anticipated time to complete that action, Previously status reports were prepared after 18 months.

In addition, two free information brochures have been produced and are available to the public.

What happens to your complaint? aims at explaining what the Commission does and outlines the assessment process and possible outcomes. It is sent to each complainant with an acknowledgment letter when their complaint is received. The second brochure *The Operations Review Committee* outlines its role. These initiatives should assist in reducing the misunderstandings which some individuals have about the role of the Commission.



All complaints received by the Commission are assessed. Those matters indicating a reasonable likelihood of involving significant corrupt conduct proceed to preliminary inquiry. If preliminary inquiry discloses evidence of corrupt conduct of such significance as to warrant particular attention by the Commission, a formal investigation may commence. The Commission's coercive powers are only applied in formal investigations.

At the end of 1991 a project was initiated to assess the value of further investigative effort being applied to the 447 still current matters received by the Commission before July 1991. By June 1993 less than 20 of the matters were active. These related mainly to on-going formal investigations.

In late 1992 the same focus was placed on more recent matters. Some 553 files were identified, the majority of which were received by the Commission in the last quarter of 1992. These matters were referred to the Investigations Department in January 1993.

In February 1993 an extraordinary ORC meeting was held to consider 370 ORC reports (373 matters) which recommended that an investigation not be conducted by the Commission. The recommendations made in relation to 11 matters were not adopted and the ORC requested further reports and/or further inquiries.

Parliamentary Committee on the ICAC

The Parliamentary Committee on the ICAC is established by the ICAC Act. Its functions include monitoring and reviewing the exercise by the Commission of its functions, examining Commission reports and reporting on relevant matters, and examining trends and changes in corrupt conduct. The Committee is not empowered to reconsider particular operational decisions of the Commission relating to investigations or complaints.

The members of the Committee during the year were Mr M J Kerr, MP (Chairman), Mr B J Gaudry, MP, Mr J E Hatton, MP, Mr P R Nagle, MP, Mr J H Turner, MP, Mr P J Zammit, MP, the Hon J C Burnswoods, MLC, the Hon D J Gay, MLC (Vice Chairman), and the Hon S B Mutch, MLC. Mr Zammit replaced Mr A A Tink in September 1992.

The Committee performs its functions by requesting the Commissioner to give evidence before it in public hearing twice yearly, by the referral of unsolicited complaints from members of the public to the Commission for response, and by conducting inquiries on particular topics. During the year the Commissioner gave evidence before this Committee on 9 November 1992 and 26 March 1993. The Committee met with the ORC on 5 February 1993, and the Commission's Senior Management on 22 June 1993,

The Committee's main inquiry was its Review of the ICAC Act, The Committee's Report was published in June 1993. A summary of the recommendations appears on page 35. The Committee also released a report on its inquiry into s52 of the ICAC Act involving legal representation before the Commission, in June 1993.

Investigation Reports to Parliament – A Summary

The Commission's published reports of investigations and corruption prevention projects continued to cover a range of government departments and authorities. They were more concerned with state government than local government this year, and a range of conduct and issues, most notably a disregard for systems or policies which gave rise to corruption opportunities, and conflicts of interest. Tendering, purchasing and disposal of goods and services continued to be the areas which gave rise to many Commission investigation and corruption prevention reports.

The Commission furnished eight reports of investigations to Parliament. The Report on the Conduct of Peter Blackmore was dealt with in last year's Annual Report. A summary of the other investigation reports follows, The reports can be obtained free of charge from the Commission.

UNAUTHORISED RELEASE OF GOVERNMENT INFORMATION (AUGUST 1992)

The commencement and course of this investigation were reported in the 1991 and 1992 Annual Reports. The terms of reference were to investigate the conduct of public officials in accessing and disseminating official information held by public authorities and the conduct of people who dealt with such public officials. The investigation involved 168 days of public and private hearings.

The investigation uncovered a widespread corrupt trade in confidential New South Wales and Commonwealth Government information. It involved public officials who sold or otherwise provided the information, private inquiry and commercial agents who brokered the information, and insurance companies and financial institutions who were consumers of the information. More than 40 New South Wales public officials were identified as having received payment in exchange for confidential information and many others were found to have released such information without authority, but not for payment.

The report recommended:

- that a policy be developed to determine what government held information should be publicly available and what protected
- that information which is available to the public be provided readily, quickly and cheaply, to avoid the resort to an illicit trade which was demonstrated in the investigation
- that security of protected information be monitored and, where necessary, improved
- that unauthorised dealing in protected government information be made a criminal offence
- that the system of licensing of commercial agents and private inquiry agents be reviewed

-
- that the laws relating to the criminal liability of corporations and to bribery and corruption offences be given attention

As a result of the inquiry ten employees of the Roads and Traffic Authority were dismissed and two were subject to disciplinary measures. Six former employees were found to have engaged in corrupt conduct.

The RTA has since taken extensive steps to overcome problems identified by the inquiry. These have included:

- incorporating privacy and information protection issues in the RTA ethics campaign,
- further tightening procedures governing the release of information to parties outside the RTA.
- implementing in June 1993 a random allocation system for driving tests to maintain confidentiality until the time of the test,

Also, the Department of Business and Consumer Affairs has since convened a working party, in which the Commission has participated, to consider the licensing of inquiry agents.

SECOND REPORT ON THE METHERELL RESIGNATION AND APPOINTMENT (SEPTEMBER 1992)

The first report of this investigation was furnished to Parliament in June 1992 and reported upon in last year's Annual Report. The Second Report reported on the decision of the Court of Appeal in the litigation which followed the first report (Greiner and Moore v independent Commission Against Corruption (1992) 28 NSWLR 125) and raised issues about the Commission's powers and enabling statute.



INTEGRITY IN PUBLIC SECTOR RECRUITMENT MARCH 1993)

This was the third report in response to the reference from Parliament in respect of the resignation of Dr Terry Metherell from Parliament and his appointment to a public sector position. This phase of the investigation examined the laws and procedures relating to public sector recruitment in New South Wales, and made recommendations about statutory and procedural changes, with a view to the application of merit selection

principles to recruitment throughout the public sector. The report also recommended an independent committee of eminent persons should scrutinise selection processes which involved recent Members of Parliament as applicants,

THE STATE RAIL AUTHORITY - TRACKFAST DIVISION SEPTEMBER 1992)

The Commission's investigation into certain matters connected with the State Rail Authority was conducted in two parts, This part concerned allegations of corruption in connection with contracts let by Trackfast. The report found that a Trackfast senior manager assisted a particular contractor to obtain valuable SRA contracts, although the contractor's principals were not well qualified for the contracts. The assistance included drafting their expressions of interest, showing favouritism in assessing the expressions of interest, assisting them to apply for increased remuneration and certifying claims for payment without proper checking.

THE STATE RAIL AUTHORITY - NORTHERN REGION

(MARCH 1993)

This was the second part of the Commission's State Rail Authority investigation. It examined dealings and relationships between particular contractors who hired earthmoving plant and equipment to the SRA and SRA personnel responsible for engaging contractors and certifying work done in the Northern Region of New South Wales. The report found that the dockets which the contractors presented to the SRA falsely recorded work done and equipment hired, and that a number of SRA personnel knowingly assisted or participated in the preparation or certification of false dockets. SRA personnel accepted benefits from contractors knowing that the benefits were provided because their positions were significant to the contractors. These practices inflicted substantial financial losses on the SRA during 1989 to 1991. They were allowed to occur because of failure by the SRA in the Northern Region to establish effective controls to ensure that the contracts were awarded fairly and certifications were done honestly and accurately. The SRA took steps to address the managerial deficiencies identified in the investigation.

A joint task force, under police command, is investigating some fraud-related matters arising from the Commission's investigation,

USE OF INFORMERS (JANUARY 1993)

The commencement and course of this investigation was reported in last year's Annual Report.

The investigation examined the conduct of public officials, including prison officers and police, in relation to the use of informers, prisoners and indemnified persons to assist in criminal investigations and prosecutions.

The evidence revealed a widespread perception among prisoners that informers received favours; an ends justifying means attitude, typified by prison officials lying to prisoners and prisoners lying as witnesses in criminal cases; a lack of accountability of dealings between officials and prisoners; and a failure to pass information through the criminal justice system to the defence. The report made recommendations about guidelines and legislation to ensure that relevant information about proposed Crown witnesses, particularly prisoner witnesses, including any benefits promised or given to such witnesses, is available to the prosecution and defence.

One recommendation related to the Director of Public Prosecutions' internal guidelines to prosecutors. It recommended that disclosure to the defence of information relevant to

the reliability of the evidence of proposed informer witnesses should be strengthened and made more objective, rather than decisions being made on the basis of the subjective views of individual prosecutors. In February 1993 the Director of Public Prosecutions amended his Office's Prosecution Policy and Guidelines in accordance with the Commission's recommendation.

Other recommendations were that the DPP should issue guidelines requiring the Commissioner of Police and his officers to provide to the DPP, in respect of DPP prosecutions, all documents, material and information, concerning any proposed Crown witness, which might be of assistance or interest to the prosecution or defence, it was suggested that the DPP Act should be amended to permit the Director to issue similar guidelines to the Commissioner of Corrective Services and his officers. In June 1993 the DPP, following consultation, issued such a guideline to the Commissioner of Police and to the Commissioner of Corrective Services, who has agreed to adopt the guideline as departmental policy. A working party of DPP, Police Service and Corrective Services officers will formulate instructions for officers, to give effect to the guidelines,

The Report stated that the DPP should consider prosecution of former Detective Chief Inspector Barry Dunn for offences against the Listening Devices Act 1984, The DPP so considered but decided against commencing proceedings.

The Report also contained a statement that the Commissioner of Corrective Services should consider disciplinary action against Mr R Woodham. The findings on which that statement was based were successfully challenged by Mr Woodham in the Supreme Court. That litigation is reported at page 34. The Commissioner of Corrective Services subsequently advised that he proposed to take no action.

OFFICE OF THE OMBUDSMAN (JUNE 1993)

This investigation examined whether the Ombudsman, Mr David Landa, had influenced or sought to influence an investigation by his office of complaints by a former client of his. The Commission concluded that there was no impropriety by Mr Landa or any officer of the Ombudsman's office in the particular investigation.

Other Completed Investigations

The Commission completed three formal investigations during the year which did not require reports to Parliament. (The Commission provides reports to Parliament only for investigations which include the holding of public hearings).

These were:

Investigation 54, which commenced in June 1992, and examined the conduct of an officer of the Registry of Births, Deaths and Marriages. As a result, the officer and two other people were charged and convicted of offences relating to the fraudulent certification of a birth certificate. (This investigation was recorded as No. 53 in the previous Annual Report).

Investigation 55 examined whether a public official solicited and received payments for awarding contracts to a contractor, and whether the contractor and public official had falsely inflated invoices to the SRA. Both defendants pleaded guilty to certain charges. The former SRA inspector was subsequently sentenced to 18 months in prison. An appeal against sentence was lodged. The contractor was ordered to serve 12 months periodic detention.

Investigation 57 examined whether an officer of the DPP had acted improperly in a prosecution of a person who was said to be a friend, by inducing the complainant to

withdraw the complaint. The matter was referred to the Commission by the DPP. The Commission found that the DPP officer had not acted improperly, and referred the conduct of a private solicitor to the Law Society.

In addition, over several months the Commission conducted extensive preliminary enquiries into the allegation that the Shoalhaven Mayor's mayoral allowance may have been misused. The matter had been referred to the Commission by several persons, including the Mayor and intense speculation about the matter was occurring in the district. No impropriety was detected and the Commission announced the result of its preliminary findings. The Commission was concerned that mayors and councils were given no guidance in identifying legitimate mayoral expenses and accounting for those expenses. The Commission and Department of Local Government have worked to remedy deficiencies. Proposed amendments to the Local Government Act are being considered.

Continuing Investigations

Investigation 39 (Milloo) which commenced in 1991 continued to examine the extent of the association and the nature of the relationship between police and criminals, particularly in the areas of armed robberies and illegal gambling. Public hearings commenced in November 1992.

The investigation has given rise to litigation concerning the Commission's power to conduct hearings in public or private, and to contempt charges against a journalist who refused to answer a question and produce documents. Those proceedings are dealt with more fully at page 34. This investigation consumed much of the Commission's time, with up to 40% of resources assigned to the investigation at times.

To supplement the investigative work, a discussion paper was published, in order to generate community and law enforcement agency discussion on the management of the relationship between police and informants. The discussion paper was based on a review of published literature and the policies, procedures and training material of

Australian law enforcement agencies, with some reference to international material. Submissions have been requested, and some received.

Investigation 47 is examining whether a former Councillor in Coffs Harbour received money from developers in return for exercising influence in respect of their development applications. There were both private and public hearings. The opening of the public hearing has led to significant relevant evidence coming forward from a member of the public.

Investigation 56 is examining whether public officials engaged in private work without permission of their employer whilst purportedly undertaking training,

Investigation 58 is examining whether a public official in the justice system has abused or is abusing his official position.

Investigation 60 is examining the alleged misappropriation of confidential information by public officials before they left the public sector to run a business.

Prosecutions and Disciplinary Proceedings

During the year prosecutions were commenced against 23 individuals as a result of Commission investigations and reports.

Disciplinary proceedings were commenced against 26 public officials named in Commission reports. A list of prosecutions and disciplinary proceedings is Appendix 3.

Liaison With Law Enforcement Agencies

The Commission continued to liaise with both State and Federal law enforcement organisations. Assistance and information is provided to them and by them in response to requests. Matters which are outside the jurisdiction of the Commission maybe referred to appropriate agencies.

Over the past 12 months the Commission has sought and provided information and intelligence to the Australian Federal Police, the Australian Bureau of Criminal Intelligence,



National Crime Authority, the New South Wales Police and other Commonwealth organisations with law enforcement responsibilities, on a range of matters including police corruption and local councils,

COSTING OF INVESTIGATIONS

The Commission costs investigations as an internal management tool. In the interests of accountability the cost of investigations which result in public reports are included in Appendix 11.

Judicial Review and Decisions

GREINER AND MOORE V ICAC (1992) 28 NSWLR 125

This litigation concerning the Commission's Report on the Investigation into the Metherell Resignation and Appointment was reported in last year's Annual Report. Messrs Greiner and Moore challenged the Commission's Report and findings in the Report concerning them. In a majority judgment delivered on 21 August 1992, the Court of Appeal declared that the finding in the Report that each plaintiff had engaged in "corrupt conduct" within the meaning of the ICAC Act was a nullity. The Court considered the application of s9 of the ICAC Act to Ministers of the Crown. The decision prompted a review of the ICAC Act by the Parliamentary Committee on the ICAC.

CHAFFEY AND ORS V ICAC; ICAC V CHAFFEY AND ORS

The original proceedings were commenced by four serving and former police officers who were witnesses in the Commission's investigation examining associations and relationships between police officers and criminals. They contended that the Commission permitting a particular indemnified criminal witness to make allegations of serious criminality against police officers in evidence in a Commission hearing held in public, constituted procedural unfairness, Mr Justice Cole so held in a judgment delivered on 29 January 1993.

The Commission appealed and in a majority decision on 30 March 1993 the Court of Appeal allowed the Commission's appeal and set aside Cole's decision. The Court held that the Commission's decision to hold the hearing in public did not contravene the requirements of procedural fairness or deny the plaintiffs natural justice. The Chief Justice said in the course of his judgment: "There is a fallacy in passing from the premise that the danger of harm to reputation requires the observance of procedural fairness to the conclusion that fairness requires that proceedings be conducted in all respects in such a way as to minimise damage to reputation".

On 9 August, the High Court rejected an application for special leave filed by the police officers.

CORNWALL CONTEMPT CHARGES

In March 1993 the Commission commenced proceedings in the Supreme Court certifying a contempt of the Commission by Deborah Cornwall, a Sydney journalist.

The proceedings arose from Ms Cornwall's refusal to reveal to the Commission the identity of a senior police officer quoted in an article written by her. The quote attributed to the senior police officer contained information which was false and with the potential to cause danger to an individual associated with a Commission investigation, and to discourage others from helping the Commission in that investigation.

The hearing commenced on 27 April 1993 before Abadee J and continued over four days. It followed a hearing before the Commission when Ms Cornwall was called to show cause why she should not be cited for contempt to the Supreme Court. Abadee J delivered his judgement on 6 July 1993 and found that Ms Cornwall had committed a contempt of the Commission. On 8 September Abadee J ordered that Ms Cornwall serve a sentence of 2 months suspended on the condition that she performs 90 hours of community service with Redfern Legal Centre. She has appealed the decision.

WOODHAM V ICAC

Mr Ron Woodham challenged findings about him, in the Commission's Report on the Investigation into the Use of Informers, to the effect that he had engaged in corrupt conduct within the meaning of the ICAC Act. He also challenged the statement that consideration should be given to the taking of action against him for disciplinary offences. The findings concerned two reports written by Mr Woodham, a senior officer of the Department of Corrective Services, about a prisoner. The Commission found the reports to be misleading because they referred only to matters going to the prisoner's good character and omitted matters known by him to be detrimental to the prisoner's character, one report was placed on the prisoner's file, and the other provided to the prisoner's solicitors, for use in connection with criminal proceedings the prisoner was facing in Victoria.

The matter was heard by Mr Justice Grove in the Supreme Court on 17 June 1993. On behalf of Mr Woodham it was contended that his conduct did not fall within s8 or s9 of

the ICAC Act, which sections define "corrupt conduct". Judgment was delivered on 25 June 1993. His Honour found that Mr Woodham's conduct did not involve the partial exercise of his official functions or the misuse of official information and would not constitute a disciplinary offence. Each of the Commission's findings was declared to be in excess of jurisdiction, wrong in law and a nullity.

LEGAL CHANGES AFFECTING THE COMMISSION OR USERS OF COMMISSION SERVICES

REVIEW OF THE ICAC ACT

In September 1992 the Parliamentary Committee on the ICAC commenced a review of the ICAC Act. The Commission made several submissions in response to requests from the Committee. The Committee's Report was released on 2 June 1993. Its key recommendations included that the Commission's coercive and investigative powers should not be diminished; the definition of corruption should be simplified and clarified, and the Commission should not be required to apply the legal "label" "corrupt conduct" to the conduct of individuals. The Committee decided to refer questions about the nature and extent of findings the Commission should be able to make about individuals' conduct, and about appeals against Commission findings, to the Law Reform Commission.

The Commission welcomed the Committee's Report. Amendments to the ICAC Act in line with the Committee's recommendations would generally improve the workability of the Act.

The Committee also recommended changes to s52 of the ICAC Act in its Report on its "Inquiry into s52 of the ICAC Act and Legal Representation before the ICAC"

released in June 1993.

AMENDMENT TO ICAC REGULATION - HEALTH SERVICES

A regulation relating to public hospitals and health related services, made pursuant to the ICAC Act, was gazetted on 30 October 1992. The effect of the regulation was to bring hospitals listed in the Second and Third schedules of the Public Hospitals Act 1929 within the Commission's jurisdiction, and to require the Chief Executive officers of those hospitals, of Area Health Services and of the Ambulance Service to report suspected corrupt conduct to the Commission. The regulations were initiated by Government and supported by the hospitals.

FINANCIAL TRANSACTION REPORTS ACT 1992

The Financial Transaction Reports Act 1992 (NSW), which commenced on 6 December 1992, complements the Commonwealth Financial Transaction Reports Act (formerly the Cash Transaction Reports Act) and has enabled the Commission to obtain information from AUSTRAL since September 1991.

SERVICE AND EXECUTION OF PROCESS ACT 1992 (CTH)

The Service and Execution of Process Act (1992), a Commonwealth Act, commenced operation in April 1993. This Act permits the Commission to serve summonses, notices and warrants interstate, with permission of the Supreme Court. However, because the Commission is required, by Supreme Court Rules, to commence proceedings in the Supreme Court (at a current cost of \$440 for filing the commencement document) in order to obtain that permission, the utility of the provisions is somewhat curtailed. There was no such requirement in connection with the previous Service and Execution of

Process Act. The Commission has raised that matter with the Department of Courts Administration.

LEGAL CHANGES RECOMMENDED BY THE COMMISSION

CRIMES (CORRUPTION) AMENDMENT BILL 1992

The Commission commented on proposed bribery and extortion offences in the Crimes (Corruption) Amendment Bill 1992. Positive aspects of the Bill are that it deals with "thirdparty" bribes, bribes through intermediaries and "general" bribes. However,

the Commission expressed concern that the proposed intent elements of the offences were too complex and would give rise to great difficulties in prosecuting offences.

PROPOSED -WHISTLEBLOWER- LEGISLATION

The Commission made submissions to the Parliamentary Legislation Committee examining proposed whistleblower protection legislation. The Committee's report, published in June 1993, accepted the major recommendations of the Commission. The Committee recommendations included that all public authorities establish appropriate internal procedures for dealing with disclosures by whistleblowers, and that these systems should be in place within six months of the Act's assent.

NON-PUBLICATION ORDERS

The Commission made a submission to Government recommending that s 112 of the ICAC Act be broadened, to overcome some perceived anomalies in the operation of the section, which might frustrate the intention of the section.

TELECOMMUNICATIONS (INTERCEPTION) ACT 1979

The Commission wrote to the new Commonwealth Attorney-General, Mr Lavarch, urging an amendment to the Act to permit interception warrants to be obtained in connection with corruption offences, the Commission having been advised that no such amendment was intended following a Departmental review of the Act. The reasons for this request, and the Commission's previous representations, were dealt with in previous Annual Reports.



4 CORPORATE MANAGEMENT

Corporate Plan Objective - Ensuring effective Corporate Management

The Commission aims to operate as a model agency in its internal management practices as well as in achieving its statutory objectives.

The main achievements during the year were:

- completion of the 1993/1995 Corporate Plan
- development of operating plans for some functional areas
- improvements to internal management procedures
- further documentation of systems and policies

The Commission, having completed its development phase, did not in 1992/93 significantly change its staff levels, assets or resources. There was however a number of changes to senior personnel.

The computer system hardware programme was completed and substantial advances were made in standardising and documenting procedures. Personnel policies and practices were documented, future requirements were identified and internal management reporting was improved.

Work is well under way to develop corporate plan objectives into more detailed operating programmes for individual departments and functions.

Statutory Appointments

The Commissioner is appointed by the Governor, under s5 of the Act, for a term or terms not exceeding five years. The Commissioner exercises the statutory functions and powers of the Commission and also performs the role of Chief Executive of the Commission,

The current Commissioner, Mr Ian Temby QC, commenced his five year term on 13 March 1989. Mr Temby practised law in Western Australia from 1966, after obtaining an Honours Degree in Law, and was appointed a Queen's Counsel in 1980. In 1984 he was appointed the first Director of Public Prosecutions for the Commonwealth of Australia, which position he held until late 1988.

The Act permits the Governor to appoint Assistant Commissioners, with the Commissioner's concurrence, to assist the Commissioner as the Commissioner requires. During the reporting year Mr Peter McClellan QC held a one year appointment as Assistant Commissioner from 15 August 1992. He presided over hearings in the course of two investigations, was a member of the Operations Review Committee, and also acted as the Commissioner for two short periods whilst Mr Temby was absent overseas, in September 1992 and June 1993,

Three other Assistant Commissioners continued terms from the previous year:

- Mr A Roden QC (who conducted the Unauthorised Release of Confidential Information investigation) until 31 July 1992

- Mr B Oslington QC (who conducted the investigation of an allegation against Mr P Blackmore MP) until 14 August 1992
- Mr R Sackville QC (who conducted the State Rail Authority - Trackfast and Northern Region investigation) until 31 October 1992

MANAGEMENT STRUCTURE

Some alterations to the Commission's management structure were made during the financial year. The major changes were:

- Director of Corruption Prevention now reports to the Executive Director
- separation of the Operations Department into two constituent departments, namely Investigations and Operational Services
- inclusion of the Research function in the Administration Department

An organisation chart is included at Appendix 4.

Senior Management

The senior management committee meets each week to assist the Commissioner in the management of the Commission and to discuss strategic, operational and policy matters.

The Commission's senior personnel have changed significantly over the past year. The senior management team at 30 June were:

Paul Seshold, Executive Director, appointed February 1993, Mr Seshold is responsible for the functions of Education, Media, Finance, Information Services, Research, Personnel and Administrative Services. The Corruption Prevention Department also reports to Mr Seshold.

Mr Seshold joined the Commission from the private sector where his career included a number of senior commercial roles and appointment as Chief Executive of a manufacturing company. He has degrees in Computational Science and Operational Research, and particular expertise in strategic planning and management.

Geoff Schuberg, Director of Investigations, appointed June 1991. Mr Schuberg is a member of the NSW Police Service and currently holds the rank of Detective Chief Superintendent. He has had thirty years of distinguished service with the Police Service specialising in the investigation of organised crime, its leaders and their associates. In recent years he has been seconded to the National Crime Authority and the State Crime Commission where he has led task forces investigating specific references into organised criminal activity and suspected corruption involving public officials.





Standing: Simon Stretton, General Counsel, Geoff Schubeig, Director Investigations, Peter Gifford, Director Corruption Prevention, Greg Smith, General Counsel, Tim Robinson, Director Operational Services. Seated: Deborah Sweeney, Solicitor to the Commission, Ian Temby QC, Commissioner, Paul Seshold, Executive Director

Deborah Sweeney, Solicitor to the Commission, appointed November 1991 and joined the Commission May 1989. Ms Sweeney was responsible for the legal department which provides legal and policy advice and services to the Commission. Ms Sweeney is a solicitor, with degrees in Law and Arts, who has had a public sector career in criminal law and policy advice. Ms Sweeney resigned from the Commission with effect from 16 July 1993. Ms Gail Furness, formerly a Principal Lawyer with the Commission, was appointed Solicitor to the Commission to replace Ms Sweeney.



Greg Smith, Deborah Sweeney, Simon Stretton

Tim Robinson, Director of Operational Services, appointed December 1990 and joined the Commission in November 1989. He had most recently been a Superintendent of the Australian Federal Police. His 17 years police career covered the areas of fraud, organised crime and operations support.

Mr Robinson has responsibility for the Commission's complaints assessment work and the functions of security, technical services and property. He is also responsible for servicing the Operations Review Committee.

Peter Gifford, Director, Corruption Prevention, leads the Corruption Prevention Department which focuses particularly on improving public sector integrity.

Mr Gifford has degrees in Arts and Economics. He has worked in many areas of the public sector in corporate and line management, including five years as the inaugural Director of the Merit Protection and Review Agency. His experience includes liaison and negotiation with the private sector and all levels of government. Mr Gifford was appointed in May 1993.

Simon Stretton, General Counsel is a barrister with a degree in Law and a diploma in legal practice. His practice has mainly specialised in criminal law. He spent two years as General Counsel at the New South Wales Crime Commission, before joining the Commission in May 1992. Mr Stretton is also the Commission's staff Grievance Mediator.

Greg Smith, General Counsel is a barrister and New South Wales Crown Prosecutor with extensive experience in supervising investigations and prosecuting cases involving corruption and organised crime. Mr Smith's principal duties include assisting in the conduct of Commission investigations and liaising with other law enforcement agencies. Mr Smith's secondment from the office of the Director of Public Prosecutions commenced in October 1992.

During the course of the year the following members of senior management left the Commission,

- Ms Stela Walker, Director of Administration and Education (July 1992).
- Ms Carolyn Davenport, General Counsel (July 1992),
- Mr Peter Lamb, Director of Operations (October 1992).
- Ms Helen Bauer, Acting Director of Administration and Education (February 1993).
- Ms Ann Reed, Director of Corruption Prevention (April 1993).

Management Functions

The Commission is organised into the Legal, Investigations, Operational Services, Corruption Prevention and Administration Departments.

LEGAL DEPARTMENT

The Commission's legal staff provide legal services to the Commission, mostly in connection with the Commission's investigative function. The lawyers assist in ensuring that the Commission's work is performed lawfully and fairly. Lawyers provide legal support to investigations and hearings, including preparing statutory processes for obtaining evidence, examining evidence obtained by investigators and liaising with witnesses, and instructing counsel in hearings. In addition, they provide policy and law reform advice.



Tim Robinson, Geoff Schuberg

INVESTIGATIONS DEPARTMENT

The Investigations Department comprises five investigation teams and the strategic intelligence research group. The team structures are flexible but in general each comprises a Chief Investigator, two Senior Investigators, three Investigators, an Analyst and a Support Officer. Most investigators have a police background and over one third have been seconded from the NSW Police Service for a two year period.

The strategic intelligence research group collects, collates and analyses information received from various sources to identify patterns or areas of corruption that may require further investigation. It also provides strategic advice to investigation teams.

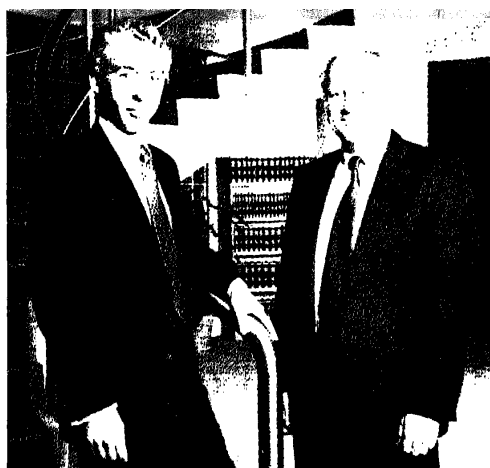
The Department provided personnel for a joint task force headed by a NSW police officer. It prepared criminal prosecution briefs arising from the Commission's enquiry into the sale of confidential government information.

In conducting investigations, analysts and investigators are encouraged to look beyond acts of criminality or corrupt conduct and to assess weaknesses in matters such as organisational structure, procedures, policy or controls. A multi-disciplinary approach is followed with officers from the Corruption Prevention Department and the Legal Department providing advice and assistance.

OPERATIONAL SERVICES

Operational support is provided by the Operational Services Department. It includes the Assessment Section, Security Section, Technical Services Group and Property Section.

The Assessment Section assesses all reports and complaints of corrupt conduct received by the Commission and identifies those which ought to contribute to the Commission's investigative, preventive or educative work.



Paul Seshold, Peter Gifford

The Security Section is responsible for the development and implementation of a protective security program for the Commission's staff and property as well as its information and operations security. During the year under review the Security Section provided comprehensive advice and assistance to a number of other government agencies.

The Technical Services Group provides a broad range of technical services to the Commission. These include technological advice, analysis of seized and surrendered computer disks, presentation at Commission hearings, and the control and issue of operational equipment used in support of the Commission's activities. The group's personnel possess a broad range of technical and operational skills.

The Commission obtains a considerable amount of property (documents and material) during its work. The Property Section manages and controls the property and ensures its disposal at the completion of an investigation or subsequent proceedings. This involves the registration and tracking of many thousands of individual items, a significant number of which become exhibits at Commission hearings or are used in criminal prosecutions.

CORRUPTION PREVENTION

The work of the Commission's Corruption Prevention department is described in Chapter 2.

ADMINISTRATION AND EDUCATION DEPARTMENT

The Administration Department provides internal support services for other Commission departments. The services include finance, records and registry, information technology, information services, office services, personnel, research, education and media functions. The Commission's Education and Media functions are described in Chapter 1.

RESEARCH UNIT

The Research Unit seeks to extend the information base on which the three statutory functions of the Commission - investigation, corruption prevention and education

are carried out by;

- conducting original empirical research on corruption and related issues
- providing research support for major investigations
- monitoring and/or evaluating Commission initiatives
- assisting other areas of the Commission in conducting their own research
- providing the Commission's link to researchers in other related areas

RECORDS AND INFORMATION SERVICES

The Records Unit is responsible for the provision of hearing transcript to witnesses and the general public. Following a rigorous tendering process, in November 1992 Auscript was contracted to provide the transcription service for three years with an option of an additional two years. The Information Services Unit provides a full range of library and information services, including reference and research. During the year the Commission installed a new on-line catalogue system, trained staff in its use and began the conversion of the manual loans system to the automated TINLIB loan system,

INFORMATION TECHNOLOGY

The Commission completed the computer hardware acquisition program begun in 1991.

The acquisition comprised Unix based minicomputers, a database management system, image processing equipment and the installation of a Commission wide Ethernet based network.

By year end the following Information Technology system components had been successfully installed:

- an Ethernet network comprising some 240 locations with a high speed fibre optic backbone

- two HP 9000 minicomputers supporting file sharing facilities and the SYBASE database management system
- approximately 125 IBM compatible personal computers supporting Windows based software
- text retrieval software TOPIC to access information in the corporate filebase
- an Enquiry Registration System to register complaints and information received
- Desk top publishing facilities to produce graphic designs for reports and educational material
- a payroll application, MICROPAY
- library and registry system packages, TINLIB and PARLAIRS

The system is currently supporting the needs of the Commission with all general purpose personal computer software operating via the network, This provides the Commission with the benefits of full security over access to information, resource sharing and network software cost savings,

FINANCE AND SERVICES

The Finance Unit provides accounting and budgetary services to the Commission, The Services Unit is responsible for procurement of goods and services, accommodation, building maintenance and management of Commission assets.

The Commission is funded from the Consolidated Fund. As a body listed under Schedule 3 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 are at Appendix 5. In the management report on the audit for the previous financial year the Auditor-General included some recommendations for improving internal controls. The Commission has taken steps to implement the recommendations, which were minor in nature.

The Auditor-General assists the Commission by undertaking the internal or management audit of the Commission's accounting and control practices and procedures, The recommendations made in respect of the 1992 financial year were of value to the Commission and appropriate changes have been implemented. The 1993 internal audit had not been completed at the time of writing this report,

Additional financial information is set out in Appendix 6 and graphical representations of the dissection of expenditure is provided in Appendix 7. Details on consultancies are listed in Appendix 8.

For the reporting year the annual appropriation of funds was sufficient to assist the Commission to achieve current operational objectives.

MAJOR ASSETS AND MAJOR ACQUISITIONS

Major assets held by the Commission comprise leasehold improvements, an integrated computer system and technical equipment. During the reporting year amounts totalling \$634,000 were incurred on development of the computer system and for a final payment on the computer contract, other major acquisitions were \$104,000 for a range

of specialised technical plant and equipment, and \$34,000 for general office equipment and furniture.

INSURANCE AND RISK MANAGEMENT

The Office Services Manager is responsible for the management of insurable risks, Insurance coverage is provided under the Treasury Managed Fund, The major areas of risk involve workers compensation and property. During the year consultants were engaged to develop a Disaster Recovery Plan, which was adopted in June. As at 30 June 1993 the Commission's retained risk accounts showed an overall surplus of \$4,696.

OVERSEAS VISITS

The Commissioner attended a conference of the Society for the Reform of Criminal Law in Teplice, Czechoslovakia from 28 September to 2 October 1992. The Commissioner also visited Paris, Rome and Prague for discussions about police corruption and to build on previous research into non-adversarial systems.

In June 1993 the Commissioner visited Israel to attend the Third International Conference on Ethics in the Public Service. The Commissioner is a member of the International Organising Committee and delivered a paper at the Conference.

A Chief Investigator attended a regional seminar on corruption related crime in Hong Kong on 24-25 September 1992. The officer also visited with Hong Kong ICAC and held discussions with police authorities.

COMMITTEES

An information technology working party was disbanded after meeting its objectives. Security and middle management committees did not meet.

COST OF PRINTING ANNUAL REPORT

The cost of producing 6000 copies of the Annual Report for the year ended 30 June 1993 was \$17,500. This is a unit cost of \$2.92.

Future Directions

The corporate management emphasis in 1993/94 will be on completing systems and procedures and maximising their value. This will be achieved through integrating systems wherever practicable and appropriate training of staff. The Commission will continue to undertake detailed assessments of its use of physical and financial resources to identify opportunities for savings. Budgetary constraints will necessitate a rigorous examination of all possible opportunities to achieve savings.

It is not envisaged that the Commission will grow during 1993/94, although the allocation of resources to different activities may change.



5 STAFF

Corporate Plan Objective - Ensuring equitable personnel practices

The Commission is committed to providing an equitable, safe and satisfying working environment which encourages co-operative working relationships and rewards good performance. Respect for staff is an important Commission value, Staff policies and practices aim to reinforce this.

The Commission's staff level and profile has changed markedly since its inception. Much of the earlier work in the personnel area focussed on recruitment, remuneration and conditions of employment. After four years, the focus is changing to one where there is an emphasis on clear and consistent policies and procedures, good performance management and staff development.

Work commenced in October 1992 on the review of the performance management system, staff development and training, job evaluation, occupational health and safety, the documentation of policies and procedures and bringing personnel and payroll services "in-house".

While progress was made in all areas, this was less than planned, largely due to the volume and complexity of the work and staff changes in the Personnel Unit,

The major achievement for the year has been the successful transfer of personnel records and payroll services to the Commission. This has been achieved with existing resources, Personnel records were transferred on 1 January 1993 and the payroll system became operational from 1 July 1993. The transfer will improve the level of service provided to staff and the level of management reporting and control.

Conditions of Employment

All staff are employed on a contract basis and are not subject to the provisions of the Public Sector Management Act 1988. Staff join the Commission both on secondment from the public sector as well as from the private sector.

While some policies and procedures have been adopted from the public sector, many have been modified to better enable the Commission to undertake its work.

A major project over the year has been the documentation and consolidation of personnel policies and procedures. A draft document was prepared by the Personnel Unit with the help of a small group of staff. It was distributed to all staff for comment and the final version will be released early in the next financial year.

Staffing

The Commission employs a mixture of staff to conduct its work, Where possible services are contracted out, such as the recording of hearings, production of transcript and security services.

141 staff were employed within the Commission as at 30 June 1993, including 7 temporary staff. 40 of the staff members were on secondment from the public sector.

RECRUITMENT

The Commission appoints people to positions on the basis of merit. A selection committee with Commission and external representatives is responsible for recommending the best applicant following consideration of written applications, assessment at interview and comments of referees. All appointees undergo a stringent probity assessment including the provision of detailed personal and financial information.

While total staff levels were largely unchanged, a total of 46 positions were filled during the year. These included the senior management positions of Executive Director, General Counsel and Director, Corruption Prevention. Recruitment campaigns were also conducted for:

Assessment Officers	Personnel Officer
Assistant Personnel Officers	Personnel Manager
Business Manager	Personal Secretary
Chief Investigator	Research Manager
Database Administrator	Senior Corruption Prevention Officers
Executive Assistant	Senior Investigator(s)
Information Services Officer	Support Officers
Investigators	Technical Specialist
Media Manager	

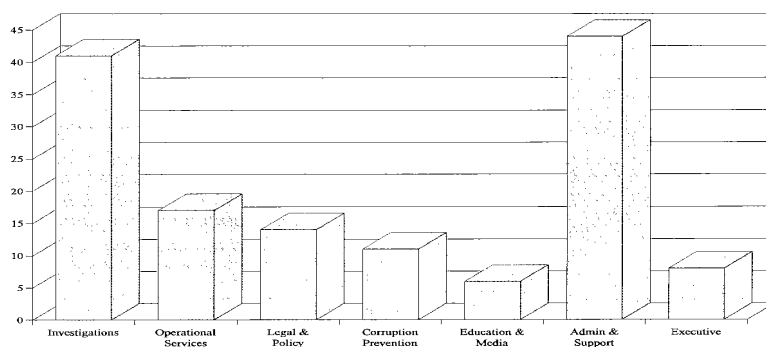
The following table displays the number of staff employed by the Commission since 1989.

STAFFING LEVELS

1989	61
1990	117
1991	132.5
1992	142
1993	141

At June 1993 staff were employed in the following areas:





WAGES AND SALARIES

The Commission sets salaries, wages, allowances and conditions of employment for staff where they are not set by any other law, with the concurrence of the Premier,

members of senior management are appointed on term contracts, They are not members of the Senior Executive Service however their salaries and conditions are linked to the Senior Executive Service. Accordingly, the April 1993 increase in the Senior Executive Service will affect senior management salary scales in the Commission, The Commissioner's salary is linked to that of a puisne judge of the Supreme Court. Accordingly the decision by the Statutory and other offices Remuneration Tribunal to increase the salary of judicial officers from 31 March 1992 led to an increase in the Commissioner's salary.

There have been no other significant changes to salaries within the Commission over the last financial year. At the end of the reporting year the monetary value of recreation leave and long service leave owed to employees of the Commission was as follows:

Recreation Leave- \$455,000
Extended Leave- \$327,000

EQUAL EMPLOYMENT OPPORTUNITY

The Commission has incorporated the principles of employment equity into its employment policies and conditions. In the 1992 Annual Report the Commission indicated it would produce its first EEO Management Plan in 1992/1993. Instead of releasing a separate plan, efforts have been made to incorporate equal employment opportunity principles into the Commission's Corporate Plan and into all personnel and human resource policies. The Director of Equal Opportunity in Public Employment has been approached to advise on this exercise.

Representation of EEO Target Groups within levels*

1992/93

ANNUAL SALARY		TOTAL STAFF	WOMEN
Below	\$28,417	10	9(90%)
	\$28,418-35,962	41	32(78%)
	\$35,963-46,505	17	10(5.9%)
	\$46, 506 - 58,132	52	9(17%)
Above	\$58,133	21	4(19%)
Total		141	64(45%)

* Data on previous years and other target groups is not available, Further information will be included in 1993/94 Annual Report.

PERFORMANCE REVIEW

The Commission has a performance review system for all staff. Performance Appraisals are conducted after a six monthly probation period, and thereafter on the anniversary of appointment.

The 1993/95 Corporate Plan was developed through an extensive series of consultations and discussions with staff and management, The discussion process itself proved valuable and a range of issues requiring attention were identified including the determination of mutually agreed terms and conditions for the employment of Commission staff,

STAFF DEVELOPMENT AND TRAINING

The Commission's staff development and training is delivered at three levels. First, staff are supported to further their education through a study assistance scheme. As at 30 June 1993, 26 (20%) members of staff (excluding temporary staff) were undertaking tertiary studies,

Secondly, staff attend external conferences and seminars on issues relevant to the Commission, In addition, computer software training continued to be provided by an external company to all staff as the Commission's Local Area Network was brought on line. Thirdly, in-house training is provided, This year the Information Technology Unit conducted training for all staff on the Commission's Local Area Network, its associated software and operation. The Information Services Unit conducted training for staff on TINLIB, a library software package,

STAFF GRIEVANCE MEDIATION

During mid-1992 the Commission moved to develop a Grievance Mediation policy and procedure by forming a policy group of interested staff members, It created a policy document which was approved by the Commissioner and distributed to staff in December 1992.

The aim was to create an avenue whereby staff grievances could be aired and resolved in a confidential non-threatening way while addressing any aspects of the problem that could affect future working relationships,

The Commission Grievance Mediator is a nominated General Counsel, presently Mr Simon Stretton. A Senior Corruption Prevention officer was appointed an associate mediator,

During the year two mediations occurred, and the grievances were successfully addressed. On several other occasions staff informally discussed problems with the mediator.

OCCUPATIONAL HEALTH AND SAFETY

The Commission's Occupational Health and Safety Committee represents all departments, It met three times over the last year. The main achievement for the Committee was the upgrading of the Commission's nonsmoking policy to place a total ban on smoking at all times on the Commission premises by staff and by members of the public. A Quit Smoking course was conducted for staff.

During the next financial year the Committee will work on finalising a number of outstanding matters such as ergonomic training and eye tests as well as developing an employee assistance service and reviewing the Commission's rehabilitation policy.

Four workers compensation claims were lodged during the year.

ENTERPRISE BARGAINING

The Commission believes its structure and circumstances are well suited to the process of Enterprise Bargaining. At the end of the year it advised staff of its desire to achieve an enterprise agreement. The enterprise bargaining and its associated tasks will be a major activity during 1993/94. The Commission believes great benefits will accrue to staff and the Commission.

Future Directions

The focus of personnel activities during 1993/94 will be on enterprise bargaining, performance management, finalising the personnel policies and procedures and enhancing the training and development policies,



APPENDIX I

Media Statements

2 July 1992	Tackling corruption in New South Wales, ICAC needed to implement special measures. Quotes from Alan Woodward, Education Manager.
14 July 1992	Nigel Powell's visit to Uki, Nimbin, Kyogle, Casino, Lismore, Ballina, Murwillumbah and Tweed Heads.
16 July 1992	Release of Corruption Report on Cash Handling in Public Hospitals.
21 July 1992	Correction to media release of 16 July 1992 regarding release of Corruption Prevention Report on Cash Handling in Public Hospitals.
10 August 1992	Release of Report on the Investigation into the Release of Government Information.
12 August 1992	Details of Report on the Investigation into the Release of Government information.
21 August 1992	Announcing a Media Conference to be held with Mr Temby in Minor Hearing Room
25 August 1992	Announcing the launch of a Rights Assistance Card in conjunction with the NSW Police.
27 August 1992	Release of Corruption Prevention Report on the Secondary Employment of Police Officers.
28 August 1992	Announcing the decision not to make an application to the High Court for special leave to appeal in relation to the Metherell Affair.
1 September 1992	Release of Second Report into the Metherell Resignation and Appointment.
3 September 1992	Announcing the appointment of Mr Peter Lamb APM as General Manager, Operations, National Crime Authority.
28 September 1992	Release of SRA - Trackfast Report.
30 September 1992	Announcing Just Traded A Public Seminar to be held on 12 October 1992 in relation to the Report on Unauthorised Release of Government Information.
9 October 1992	Announcing the beginning of hearings in relation to the nature and extent of the relationship between New South Wales Police, especially past and present detectives, and criminals.
23 October 1992	Release of the Discussion Paper "Jobs for the Boys" in relation to the Metherell Reports released earlier.

29 October 1992	General information regarding the achievements of the ICAC, the Education Department and the Corruption Prevention Department.
13 November 1992	Invitation extended to representatives of the media to attend a briefing at ICAC in regard to the hearing into the Relationship between Police and Criminals.
4 December 1992	Statement by Mr Temby concerning comments by the former Director of the Cabinet Office Mr Gary Sturgess regarding functions of the ICAC,
9 December 1992	Mr Temby welcoming recent changes to the ICAC Act extending the jurisdiction of the Commission.
14 December 1992	Announcing that a public statement will be made in response to considerable speculation in the Shoalhaven community about allegations of corruption.
16 December 1992	Announcing a public hearing to be held following the ICAC Discussion Paper on public sector appointments, related procedures and systems.
16 December 1992	Release of Corruption Prevention Report on Plant Hire.
19 December 1992	Response to statements relating to Mr Bill Pinkerton,
6 January 1993	Announcing the appointment of Mr Paul White, formerly of Channel Nine and ABC's 7,30 Report, to the position of Media Director.
22 January 1993	Release in relation to Milloo investigation and general issues regarding witnesses.
25 January 1993	Release of Report on the Investigation into the Use of Informers, Volumes 1 and 2.
27 January 1993	Information about the Report on the Investigation into the Use of Informers.
29 January 1993	Announcing the decision to appeal against the decision of Mr Justice Cole handed down in the Supreme Court in relation to the Milloo hearing.
18 February 1993	Statement for Central Western Daily in relation to allegations concerning the sale of Molong Gas Works by the Cabonne Shire Council.
24 February 1993	Announcing the appointment of Mr Paul Seshold as the new Executive Director of the Independent Commission Against Corruption.
3 March 1993	Statement in relation to the matter of Mr Mark Vaille and the announcement that it has been referred to the Department of Local Government.

16 March 1993	Release of the Corruption Prevention Monitoring Report on the Purchase and Sale of Local Government Vehicles.
17 March 1993	Announcing the high response rate in relation to the release of the Corruption Prevention Report on the Purchase and Sale of Local Government Vehicles.
19 March 1993	Release of the report on the State Rail Authority – Northern Region,
24 March 1993	General information in relation to the release of the report on the State Rail Authority - Northern Region.
25 March 1993	Announcing the commencement of proceedings for contempt against a Sydney Morning Herald journalist.
30 March 1993	Response to the favourable decision by the Court of Appeal in relation to the future conduct of public hearings,
31 March 1993	Release of final report into the Metherell Affair - Integrity in Public Sector Recruitment.
1 April 1993	Announcing public hearing to receive submissions concerning the future conduct of hearings relating to the Milloo investigation,
13 April 1993	Release of Corruption Prevention Monitoring Report into Housing Maintenance.
11 May 1993	Release of Discussion Paper in relation to Police Informants.
11 May 1993	Matter in relation to the Water Board. Commission to assess what, if any, action is necessary.
11 May 1993	Statement in relation to the Landa/Ainsworth matter.
14 May 1993	Announcement of an urgent public hearing to be held in relation to the Landa/Ainsworth matter.
24 May 1993	Statement in relation to the Pickard matter.
2 June 1993	Response to release of report by the PJC.
25 June 1993	Release of Corruption Prevention Booklet "Pitfalls or Probity" on tendering and purchasing.
25 June 1993	Statement in relation to the Supreme Court decision regarding Mr Ron Woodham.



APPENDIX 2

Corruption Prevention Work in 1992/93

PROJECTS - COMPLETED

- 1 Criminal Records System - see Chapter 2
- 2 Road Plant Hire - see Chapter 2
- 3 Cash Handling in Public Hospitals - see Chapter 2
- 4 Secondary Employment of NSW Police Officers

This project arose from complaints to Police Internal Affairs, to the ombudsman and to the ICAC alleging corruption or conflict of interest by police undertaking secondary employment. The report was published in August 1992.

Following release of the report, the NSW Police Service formed a working party to consider the recommendations. A new policy was endorsed and authorised to be implemented in January 1993.

PROJECTS - IN PROGRESS

- 1 The Management of Criminal Investigations in the NSW Police Service - see Chapter 2.
- 2 Accountability for Grants - This project is reviewing methods by which government organisations ensure accountability for grants to other government or non-government bodies. It will review case studies of grant funding in a range of situations.
- 3 TAFE Teaching Equipment - This is a project dealing with the private use by teachers of TAFE teaching equipment.
- 4 Travel Payments - This project examines travel payment systems in state and local government.
- 5 Sponsorships - This project aims to develop a set of basic principles to guide public sector agencies in dealing with sponsorship.
- 6 Codes of Conduct: This project is designed to assist government agencies to review and improve their codes of conduct.

MAJOR ADVISORY ACTIVITIES DURING THE YEAR

- 1 *"Pitfalls or Probity - Tendering and Purchasing Case Studies"* - publication
- 2 Review of ICAC Code of Conduct

The review of the Commission's Code of Conduct was described in last year's Annual Report.
- 3 Premier's Department Guidelines for Staff Probity in Special Purpose Government Bodies

MONITORING PROJECTS - COMPLETED

1 Department of Housing Maintenance Contracts - Monitoring

The original project examined the Department's management of maintenance contracts and was completed in February 1991,

2 Purchase and Sale of Local Government Vehicles - Monitoring

3 Premier's Department Guidelines for Staff Probity in Special purpose Government Bodies

MONITORING PROJECTS - IN PROGRESS

1 R.T.A. Driver Licensing

The Roads & Traffic Authority Driver Licensing project was completed in April 1991,

2 Allocation of Boat Moorings

3 Cash Handling in Public Hospitals - see Chapter 2

SEMINARS CONFERENCES & TRAINING

With State & Local Government Agencies & Groups	
ORGANISATIONS	TOPICS
Public Works Department Planning Workshop	Corruption Prevention & Tendering
Local Government	Minimising the risk of corruption within Local Government
Blacktown City Council	ICAC, conflicts of interest Problems to avoid in the tendering process
RIPAA and Premier's Dept,	Contracting out seminar Problems to avoid in the tendering process
Public Works Department	Tendering and probity issues
Dept of Health - Eastern Sydney Area Health Service	ICAC, corrupt conduct, conflicts of interest
Dept, of Transport	Codes of Conduct, licensing and tendering
Vales Point Power Station	ICAC, corrupt conduct, tendering and purchasing
Pacific Power Services	ICAC, purchasing, tendering, Code of Conduct
State Rail Authority, Management	Probity issues in tendering
Executive Council of Rural Lands Protection Boards	ICAC, Code of Conduct and Tendering
Corruption Prevention Seminar	ICAC, unauthorised release of information tendering and purchasing.

With Government & Industry Bodies	
ORGANISATIONS	TOPICS
University of Technology-	ICAC, Corruption Prevention, Creating an ethical environment, codes of conduct, procurement, internal reporting, internal audit
Health Services Supply Assoc, of NSW Annual Conference	ICAC, corrupt conduct, purchasing and procurement, conflicts of interest, codes of conduct
University of Sydney	ICAC, maintaining an ethical environment internal audit, codes of conduct, internal

	reporting, purchasing
Institute of Municipal Management	Tendering procedures, pecuniary interest issues
University of NSW –Planning Law and Practice Short Course	ICAC, Local Government, conflicts of interest, Planning and building
Institute of Internal Auditors, Australia, NSW Branch	Internal audit as a corruption prevention tool
Australian Society of Certified Practising Accountants	Corruption prevention
Institute of Chartered Accountants in Australia	Creating an ethical environment, codes of conduct, internal reporting, risk assessment

Conferences: Commercial, industry or professional, where topics covered included:

- internal audit role in fraud control and corruption prevention
- unauthorised release of government information
- fraud and corruption in contracting and tendering
- enhancing a code of conduct and ethics.



APPENDIX 3

Prosecutions and Disciplinary Proceedings

Disciplinary Proceedings

Operation 20 (TAMBA)

Report on Unauthorised Release of Government Information Vols 1, 2 & 3 (August 1992)

Name	Nature of Action Recommended	Date of Action	Result
BRIGHT, David Baird	Police discipline	6.3.93	Counselled by Commanding Officer
CLARKE, Warren Maxwell	Common law discipline; dismissal	28.8.92	Dismissed for misconduct
DUNDAS, Hugh Arthur	Police discipline	18.1.93	Counselled by District Commander
EBBES, Peter Ronald	Common law discipline	2.9.92	Disciplined (reprimanded and transferred) for misconduct
ELLICOTT, Peter Kenneth	Police discipline	16.12.92	Counselled by District Commander
ELLIOTT, Phillip Michael	Common Law discipline; dismissal	28.8.92	Dismissed for misconduct
HARRISON, Stephen Eric	Common law discipline; dismissal	28.8.92	Dismissed for misconduct
JACOB, Paul Yervan	Police discipline	27.1.93	Counselled by Commanding Officer
KYLE, Robert Alexander	Police discipline	18.1.93	Counselled by District Commander
MOONEY, John Bede	Common law discipline; dismissal	28.8.92	Dismissed for misconduct
MORAN, Robert Charles	Police discipline; dismissal	13.8.92 18.1.93 12.3.93	Suspended as result of Tamba Restored - no criminal charges Reprimanded by District Commander
MUSGRAVE, Stephen Wayne	2 counts, Common Law discipline; dismissal	28.8.92	Dismissed for misconduct
NAYLOR, Stephen Craig	Police discipline; dismissal	13.8.92 18.1.93 15.7.93	Suspended as result of Tamba Restored - no criminal charges Reprimanded by District Commander
O'TOOLE, Christopher John	Police discipline; dismissal	13.8.92 10.9.92	Suspended as result of Tamba Resignation accepted
REDDIE, Robert Anthony	Common Law discipline; dismissal	28.8.92	Dismissed for misconduct
STEPHENS, Robert John	Common Law discipline; dismissal	28.8.92	Dismissed for misconduct
THOMAS, Warren Robert	Common Law discipline; dismissal	28.8.92	Dismissed for misconduct

TUXFORD, Paul Edward	Police discipline	20.4.93	Counselled by Commanding Officer
VALLIS, Paul Graham	Police discipline	7.1.93	Reprimanded by Commanding Officer
WADDELL, James Macbeth	Police discipline; dismissal	13.8.92 18.8.83	Suspended from duty-criminal brief not commenced Direction given for preferment of Departmental charges Misconduct and Disobedience. Penalty to be determined.
WELLS, Gary Arthur	Common Law discipline; dismissal	30.7.92	Dismissed for misconduct
WILLIAMS, Dennis Malcolm	Common Law discipline; dismissal	2,9,92	Disciplined (reprimanded and transferred) for misconduct
McMARTIN, Alan James	Nil	28.8.92	Dismissed for misconduct
BAPTIST, Christopher Joseph	Common law discipline, - dismissal	28.8.92	Dismissed for misconduct

Operation 45 (Banksia - Later known as 'Alli North')
Report on Investigation into the SRA- Northern Region (March 1993)

Name	Nature of Action Recommended	Date of Action	Result
CZAPLA, Jan Aleksander (Alex)	Nil	28.7.92	Dismissal. Appeal to Transport Appeals Board pending.
ELMS, Geoffrey Samuel	Nil	Oct 1992	Dismissal. Appeal to Transport Appeals Board pending.

Prosecution Action

Operation 8 (ITA)
Report on Investigation into Driver Licensing, Vols 1 & 2

Name	Nature of Action Recommended	Date of Action	Result
MANTON, Kenneths	s87 ICAC Act	23.12.92	Charged 3 counts s87 - Plea of Guilty - Sentenced at Tweed Heads Local Court to 100 hours Community Service per count cumulative
PEPONIS, John	s87 ICAC Act	23,12.92	Prosecution commenced 2 counts s87 - Plea of Guilty - 80 hours Community Service per count concurrent
SEXTON, Paul	s87 ICAC Act	23,12.92	Prosecution commenced 4 counts s87 - Hearing date
KALERGIS, Nicholas	s87 ICAC Act	23.12,92	Prosecution commenced Plea - 1 October 1993

HELOU, Salim	s87 ICAC Act	23,12,92	Prosecution commenced 2 counts s87 – Dismissed - no corroboration
CATALDO, Mario	s87 ICAC Act	23.12,92	Prosecution commenced 5 counts s87 - Hearing date
DANDACHLI, Ghasson	s87 ICAC Act	23.12.92	Prosecution commenced 4 counts s87 - Dismissed
LAWES, Keith	s87 ICAC Act	23.12,92	Prosecution commenced 2 counts s87 - Plea of Guilty - Fine of \$750 per count and bond on one count
FORSYTH, Vernon	s87 ICAC Act	23.12,92	Prosecution commenced 2 counts s87 - Plea of Guilty -Fined \$1,250 plus court costs of \$45 on first count; \$1,500 plus court costs \$45 on second count; good behaviour bond of 3 years; 3 months to pay in respect of each matter. 3 counts s87 - Dismissed
ARISTODEMOU, Tony	s87 ICAC Act	23.12.92	Prosecution commenced 3 counts s87 - Committed for trial

Operation 20 (Tamba)

Report on Unauthorised Release of Government Information Vols 1, 2 & 3 (August 1992)

Name	Nature of Action Recommended	Date of Action	Result
MOORE, Rodney	s87 ICAC Act	18,1.93	Prosecution commenced. Not Guilty - Case dismissed.
FRAZER, Graham William	s87 ICAC Act	8.12.92	Prosecution commenced Plea of Guilty. Recognizance \$1000, 2 year Good Behaviour bond.
SPACEY, Michael	s87 ICAC Act	18.1,93	Prosecution commenced, Awaiting his return from overseas to serve summons.
BARNES, Harry	s87 ICAC Act	7.6.93	Prosecution commenced. Awaiting his return from overseas to serve summons.
BYASS, Kay	s87 ICAC Act	6.4.93	Prosecution commenced. Hearing date.
LOUGHLIN, John	s87 ICAC Act	4.3.93	Prosecution commenced. Part heard. Adjourned to 22.12.93.

Operation 31 (Helix)

Report on Investigation into Road Works in the Shire of Kyogle (January 1992)

Name	Nature of Action Recommended	Date of Action	Result
STANDFIELD, Harold John	s87 ICAC Act	17.5.93	Prosecution commenced.- two offences

Operation 40 (Mimosa)

Investigation into Conduct of Helen Bobbie, Alderman of Sydney City Council

Name	Nature of Action Recommended	Date of Action	Result
BOBBIE, Helen	Forgery offences	June 1992	Prosecution commenced. Set down for hearing.

Operation 54 (Nardu)**Investigation into Unauthorised Use of Documents from Registry of Births, Deaths and Marriages**

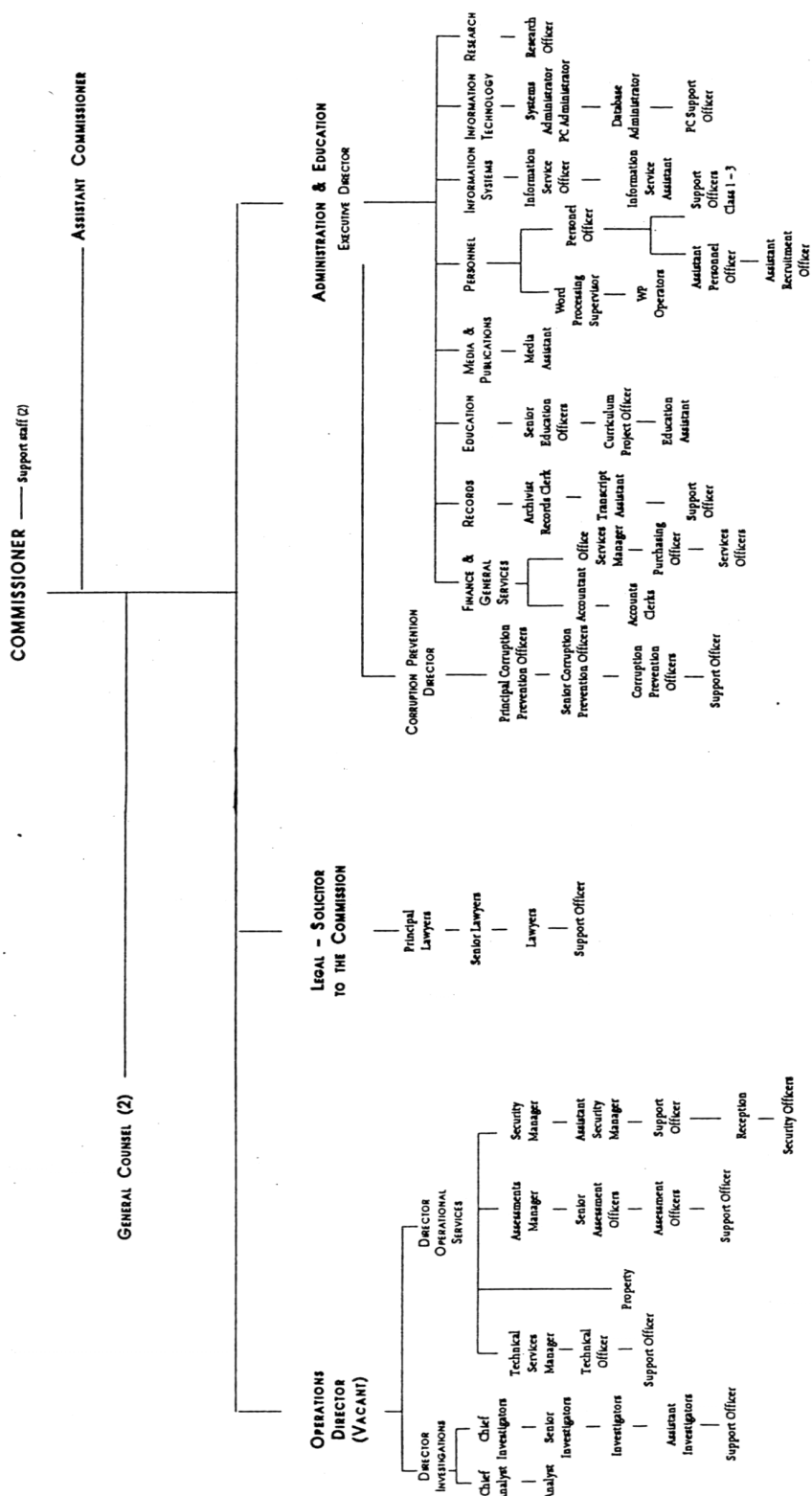
Name	Nature of Action Recommended	Date of Action	Result
DAVIES, Catherine	Larceny as a Servant, Larceny as a Public Servant and four counts of Fraudulent Certification of Birth Certificate	29,6.92	Prosecution commenced 6 Convicted - sentenced to total of 200 hours Community Service, fined \$750, to be of Good Behaviour for 3 years.
WILLIAMS, Paul	Accessory Before the Fact of Fraudulent Certification of Birth Certificate and Custody of False instrument	11,9.92	Prosecution commenced DPP filed 'No Bill' for Custody of False Instrument and accepted plea of Guilty to Accessory, Received deferred sentence under s558 Crimes Act, recognizance \$500, to be of Good Behaviour for 2 years and fine of \$250.
GARVAN, Jennifer	Two counts Accessory Before the Fact of Fraudulent Certification of Birth Certificate; two counts Custody of False Instrument	11,9.92	Prosecution commenced DPP filed 'No Bill' for Custody of False Instrument charges; accepted plea of Guilty for Accessory charges, Received deferred sentence under s558 Crimes Act, recognizance \$500, to be of Good Behaviour for 2 years and on each bond a fine of \$250

Operation 55 (Orbit)**Investigation into Conduct of Edison Adam, SRA- Southern Engineering Region**

Name	Nature of Action Recommended	Date of Action	Result
XUEREB, Julian Joseph	Nine charges Corruptly Give a Bribe; eleven charges; Obtain Benefit by Deception; one charge	Dec 1992	Prosecution commenced Pleaded Guilty to one charge Aiding and Abetting; Guilty to 9 charges Corruptly Give Aid and Abet the Corrupt a Bribe; Guilty to 2 charges Soliciting of a Bribe Obtaining a Benefit by Deception.
ADAM, Edison	Three charges Corruptly Solicit a Bribe; ten charges Corruptly Receive a Bribe; eleven charges Accessory Before the Fact of Obtaining Benefit by deception	Dec 1992	Prosecution commenced Pleaded Guilty to one charge Corruptly Solicit a Bribe; ten charges Corruptly Receive a Bribe; two charges Aiding and Abetting the Obtaining of a Deception Benefit by Deception

The logo of the Independent Commission Against Corruption (ICAC) is displayed in a large, light grey, stylized font. The letters 'I', 'C', 'A', and 'C' are interconnected, with the 'I' and 'C' on the left and the 'A' and 'C' on the right. The 'A' is formed by two 'V' shapes meeting at the top.

Annual Report 1993
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APPENDIX 5

Financial Statements and accompanying Notes

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1993

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 1986 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,

Ian Temby QC
Commissioner

21 September 1993





BOX 12 GPO
SYDNEY NSW 2001

AUDITOR-GENERAL'S OPINION

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 1993. The preparation and presentation of the financial statements, consisting of the accompanying 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, and Australian accounting concepts and standards 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.

This audit opinion 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 Statements of Accounting Concepts and applicable Accounting Standards the financial position of the Commission as at 30 June 1993 and the results of its operations and its cash flows for the year then ended.

A.C. HARRIS
SYDNEY

28 September 1993



Operating Statement for the Year Ended 30 June 1993

	Notes	Actual 1992-93 \$'000	Budget 1992-93 \$'000	Actual 1991-92 \$'000
EXPENSES				
Operating expenses				
Employee related	4(a)	7,935	8,231	8,590
Other operating				
Expenses	4(b)	4,191	4,402	4342
Depreciation	4(c)	1,264	1,200	1,056
Other services				
Legal & other costs		<u>860</u>	<u>700</u>	<u>1,136</u>
TOTAL EXPENSES		<u>14,250</u>	<u>14,533</u>	<u>15,124</u>
REVENUES				
Sale of transcripts		29	53	72
Other		<u>9</u>	<u>-</u>	<u>33</u>
TOTAL REVENUES		<u>38</u>	<u>53</u>	<u>105</u>
Net gain/(loss) on disposal of computer equipment, plant & equipment		<u>(16)</u>	<u>-</u>	<u>-</u>
NET COST OF SERVICES		<u>14,228</u>	<u>14,480</u>	<u>15,019</u>
GOVERNMENT CONTRIBUTIONS				
Consolidated Fund recurrent appropriation	15(b)	12,573	12,706	13,688
Consolidated Fund capital appropriation	15(b)	760	760	1,215
Acceptance by the State of Commission liabilities	<u>2(a),4(a),15(b)</u>	<u>414</u>	<u>574</u>	<u>518</u>
Surplus/(deficit) for the year	10, 16	(481)	(440)	402

Accumulated surplus at the

beginning of the year	10	6,268	6,268	5,866
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ACCUMULATED SURPLUS AT

THE END OF THE YEAR	10	5,787	5,828	6,268
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THE ACCOMPANYING NOTES FORM PART OF THESE STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 1993

	Notes	Actual 1992-93 \$'000	Budget 1992-93 \$'000	Actual 1991-92 \$'000
CURRENT ASSETS				
Cash	5	445	410	410
Receivables	6(a)	25	28	39
Prepayments		118	10	90
Other		-	-	2
TOTAL CURRENT ASSETS		<u>588</u>	<u>448</u>	<u>541</u>
NON-CURRENT ASSETS				
Leasehold improvements	7	3,679	3,889	4,027
Computer equipment	7	1,980	1,883	1,896
Plant & equipment	7	801	778	1,067
TOTAL NON-CURRENT ASSETS		<u>6,460</u>	<u>6,550</u>	<u>6,990</u>
TOTAL ASSETS		<u>7,048</u>	<u>6,998</u>	<u>7,531</u>
CURRENT LIABILITIES				
Creditors	8	806	770	878
Provision for employee entitlements	9	455	400	385
TOTAL LIABILITIES		<u>1,261</u>	<u>1,170</u>	<u>1,263</u>
NET ASSETS		<u>5,787</u>	<u>5,828</u>	<u>6,268</u>
EQUITY				
Accumulated surplus	10	5,787	5,828	6,268

TOTAL EQUITY	<u>10</u>	<u>5,787</u>	<u>5,828</u>	<u>6,268</u>
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THE ACCOMPANYING NOTES FORM PART OF THESE STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 1993

	Notes	Actual 1992-93 \$'000	Budget 1992-93 \$'000	Actual 1991-92 \$'000
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CASH FLOW FROM OPERATING ACTIVITIES

PAYMENTS

Employee related		(7,450)	(7,657)	(7,569)
Maintenance and working		(4,232)	(4,402)	(4,758)
Legal and other costs		<u>(911)</u>	<u>(700)</u>	<u>(1,053)</u>
		<u>(12,593)</u>	<u>(12,759)</u>	<u>(13,380)</u>

RECEIPTS

Sale of transcripts		29	53	35
Other		<u>23</u>	<u>-</u>	<u>33</u>
		<u>52</u>	<u>53</u>	<u>68</u>

TOTAL NET CASH OUTFLOW ON

OPERATING ACTIVITIES	<u>16</u>	<u>(12,541)</u>	<u>(12,706)</u>	<u>(13,312)</u>
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CASH FLOW FROM INVESTING ACTIVITIES

Purchases of computer equipment, plant & equipment	17	(782)	(760)	(1,685)
Proceeds from disposal of computer equipment, plant & equipment	17	25	-	-

TOTAL NET CASH OUTFLOW

ON INVESTING ACTIVITIES		<u>(757)</u>	<u>(760)</u>	<u>(1,685)</u>
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NET CASH OUTFLOW FROM OPERATING

AND INVESTING ACTIVITIES		<u>(13,298)</u>	<u>(13,466)</u>	<u>(14,997)</u>
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THE ACCOMPANYING NOTES FORM PART OF THESE STATEMENTS

	Notes	Actual	Budget	Actual
		1992-93	1992-93	1991-92
		\$'000	\$'000	\$'000
GOVERNMENT FUNDING ACTIVITIES				
Consolidated Fund recurrent				
appropriation	15(b)	12,573	12,706	13,688
Consolidated Fund capital				
appropriation	15(b)	760	760	1,215
TOTAL NET CASH PROVIDED	—			
BY GOVERNMENT		<u>13,333</u>	<u>13,466</u>	<u>14,903</u>
NET INCREASE/(DECREASE) IN CASH		35	-	(94)
Opening cash balance	5	<u>410</u>	<u>410</u>	<u>504</u>
CLOSING CASH BALANCE	5	<u>445</u>	<u>410</u>	<u>410</u>

THE ACCOMPANYING NOTES FORM PART OF THESE STATEMENTS

SUPPLEMENTARY INFORMATION

CASH FLOW STATEMENT FOR RECONCILIATION WITH OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 1993

	Notes	Actual	Budget	Actual
		1992-93	1992-93	1991-92
		\$'000	\$'000	\$'000
CASH FLOW FROM OPERATING ACTIVITIES				
NET COST OF SERVICES		(14,228)	(14,480)	(15,019)
Adjustment for items not involving cash:				
Depreciation	4(c)	1,264	1,200	1,056
Provision for recreational leave		9	70	135
Acceptance by the State of				
Commission				
Liabilities	2(a), 4(a), 15(b)	414	574	518

Non cash revenues

(Increase)/decrease in receivables	14	(34)
(Increase)/decrease in prepayments	(26)	(92)
Increase/(decrease) in payables	(65)	124
Net (gain)/loss on disposal assets	16	-

NET CASH USED ON

OPERATING ACTIVITIES	16	(12,541)	(12,706)	(13,312)
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FUNDED BY:

Consolidated Fund recurrent

appropriation	15(b)	12,573	12,706	13,688
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NET INCREASE/(DECREASE) IN CASH

FROM OPERATING ACTIVITIES (A)	32	-	376
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THE ACCOMPANYING NOTES FORM PART OF THESE STATEMENTS

Notes	Actual	Budget	Actual
	1992-93	1992-93	1991-92
	\$'000	\$'000	\$'000

CASH FLOW FROM INVESTING ACTIVITIES

Purchases of computer equipment,

plant & equipment	17	(782)	(760)	(1,685)
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Proceeds from disposal of computer

equipment, plant & equipment	17	25	-
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NET CASH USED ON

INVESTING ACTIVITIES	(757)	(760)	(1,685)
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FUNDED BY:

Consolidated Fund

capital appropriation	15(b)	760	760	1,215
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NET INCREASE/(DECREASE) IN

CASH FROM INVESTING ACTIVITIES (B)	3	-	(470)
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NET INCREASE/(DECREASE) IN CASH

(A+B)	35	(94)
Opening cash balance	5 410	504
CLOSING CASH BALANCE	5 445	- 410

This statement links cash flows with the Operating Statement via the Net Cost of Services and reconciles between Net Cost of Services, which is an accrual concept, and Consolidated Fund support, which is a cash concept.

THE ACCOMPANYING NOTES FORM PART OF THESE STATEMENTS NOTES
COMPONENT OF THE FINANCIAL STATEMENTS

1 THE REPORTING ENTITY

The Commission is constituted by the Independent Commission Against Corruption Act 1988. These financial statements report on all the operating activities under the control of the Commission. All transactions and balances between funds have been eliminated in the process of preparing the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Commission's financial report has been prepared in accordance with Statements of Accounting Concepts, applicable Australian Accounting Standards, the requirements of the Public Finance and Audit Act and Regulations, 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 accruals basis. The Cash Flow Statement is prepared on a cash basis using the "direct" method. For supplementary information a Cash Flow Statement using the "indirect" method has also been prepared to facilitate the linking of cash to accrual data (via the Operating Statement) and the reconciliation of Net Cost of Services (an accrual concept) and Consolidated Fund Support (a cash concept),

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 AAS 10 and is therefore exempt from the "recoverable amount" test. Should the "recoverable amount" test have been applied this would have resulted in the assets being given a nil value in the accounts,

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

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 the liability as having been extinguished resulting in non-monetary revenue described as "Acceptance by the State of Commission liabilities". Liabilities assumed by the State for the current year were \$414,000.

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 in excess of \$1,000 are capitalised. Values are determined on an asset-by-asset basis, although composite items and groups of related/similar items are considered together for the purposes of determining asset values.

D. ACQUISITION OF ASSETS

The cost method of accounting is used for all acquisitions of assets.

E. LEASEHOLD IMPROVEMENTS

Leasehold improvements are valued at cost and have been assessed by Commission officers to be equal to written down book value as at 30 June 1993.

F. COMPUTER EQUIPMENT, PLANT AND EQUIPMENT

Valuation of computer equipment, plant and equipment has been assessed by Commission officers to be equal to written down book value as at 30 June 1993,

G. DEPRECIATION

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

3 BUDGET REVIEW

The actual net cost of services was \$252,000 less than the original budget estimate. The budget estimate included provisions for certain employee related items which were not incurred and therefore were not funded. A reduction in the average number of effective full-time staff on the budgeted figure and benefits arising from a new contract for transcription services contributed to savings on employee related and other operating expenses. The resulting savings were partially offset by increased legal costs and reduced sales of transcript.

4 OPERATING EXPENSES

	1993	1992
	\$'000	\$'000
a. Employee related expenses comprise the following items;		
Salaries and wages	6,813	7,261
Payroll and fringe benefit tax	469	500
Provision for recreation leave	70	135

Workers compensation	35	24
Other	<u>134</u>	<u>152</u>
	7,521	8,072
Liabilities accepted by the State		
superannuation entitlements	390	294
Long service leave	<u>24</u>	<u>224</u>
	<u>414</u>	<u>518</u>
TOTAL	<u>7,935</u>	<u>8,590</u>

b, Maintenance and working expenses are as follows:

Building expenses

Rent, rates, maintenance & cleaning	1,064	984
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Subsistence and transport

Travelling, removal and subsistence	193	400
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Motor vehicles	137	180
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Freight	20	28
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Fees for services

Consultancies	182	130
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External audit fees	6	6
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Transcript fees	114	402
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Fees for services	302	206
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Contract security services	587	559
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Other fees	82	96
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General expenses

Advertising and publicity	105	110
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Books and periodicals	39	39
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Gas and electricity	162	164
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Postal and telephone	227	205
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Printing	270	134
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Stores, stationery, provisions etc	68	121
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Lease of office equipment & fittings	140	121
Minor expenses	10	5
Technical supplies	36	20
Computer supplies	25	39
Other	422	393
TOTAL	4,191	4,342

c. Depreciation is charged as follows:

Leasehold improvements	348	346
Computer equipment	574	396
Plant and equipment	342	314
TOTAL	1,264	1,056

5 CURRENT ASSETS - CASH

Cash at Treasury	442	187
Cash at bank	2	222
Cash on hand	1	1
	<u>445</u>	<u>410</u>

All these items are considered to be cash for the statement of cash flow purposes.

6 CURRENT ASSETS - RECEIVABLES

a. Transcript debtors	7	7
Advances	18	30
Other	-	2
	<u>25</u>	<u>39</u>
b. Bad debts written off	-	1

NOTE

No provision has been made for doubtful debts as all amounts are considered recoverable.



7 NON-CURRENT ASSETS - LEASEHOLD IMPROVEMENTS, COMPUTER EQUIPMENT, PLANT HC EQUIPMENT

	Leasehold improvements \$'000	Computer equipment \$'000	Plant & equipment \$'000	Total \$'000
At cost				
Balance 1 July 1992	4,949	2,448	1,728	9,125
Adjustments (Note)	-	70	(70)	-
Additions	-	636	139	775
Disposals	-	(99)	(25)	(124)
Balance 30 June 1993	<u>4,949</u>	<u>3,055</u>	<u>1,772</u>	<u>9,776</u>
Accumulated depreciation				
Balance 1 July 1992	922	552	661	2,135
Adjustments (Note)	-	24	(24)	-
Depreciation for the year	348	574	342	1,264
Writeback on disposal	-	(75)	(8)	(83)
Balance 30 June 1993	<u>1,270</u>	<u>1,075</u>	<u>971</u>	<u>3,316</u>
Written down value				
At 1 July 1992	4,027	1,896	1,067	6,990
Adjustments (Note)	-	46	(46)	-
At 30 June 1993	<u>3,679</u>	<u>1,980</u>	<u>801</u>	<u>6,460</u>

NOTE

In line with a reclassification of assets opening balances at 1 July 1992 of Computer equipment, and Plant & equipment are adjusted from closing balances in the Commission's financial statements for the year ended 30 June 1992 to transfer items valued at cost \$70,000 (accumulated depreciation \$24,000, written down value \$46,000) from Plant & equipment to Computer equipment.



8 CURRENT LIABILITIES - CREDITORS

	1993	1992
	\$'000	\$'000
Operating activities		
Employee related payments	529	519
Maintenance and working	238	262
Legal & other costs	<u>39</u>	<u>90</u>
	<u>806</u>	<u>871</u>
Investing activities		
Plant and equipment	-	7
	<u>806</u>	<u>878</u>

9 CURRENT LIABILITIES- PROVISION FOR EMPLOYEE ENTITLEMENTS

	1993	1992
	\$'000	\$'000
Operating activities		
Recreational leave	455	385
The movement in the provision for employee recreational leave is as follows:		
Balance at start of year	385	250
Increase in provision	70	135
Balance at end of year	<u>455</u>	<u>385</u>

The amounts of recreation leave both provided and paid are charged directly to the operating statement,

10 EQUITY - ACCUMULATED SURPLUS/ (DEFICIT)

	1993	1992
	\$'000	\$'000
Balance at start of year	6,268	5,866
Operating result for the year	<u>(481)</u>	<u>402</u>
Balance at end of year	<u>5,787</u>	<u>6,268</u>

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.

Sums totalling \$10,647 were forwarded in 1992-93 (\$Nil in 1991-92).

No unclaimed amounts are being held in the accounts of the Commission in excess of two years.

12 COMMITMENTS FOR EXPENDITURE

	1993	1992
	\$'000	\$'000
A. CAPITAL COMMITMENTS		
Aggregate capital expenditure contracted		
for at balance date but not provided for		
in accounts payable;		
Not later than one year	-	353
Later than one year but not later than 2 years	-	-
Later than 2 years but not later than 5 years	-	-
Later than 5 years	-	-
	-	<u>353</u>

B. LEASE COMMITMENTS

Aggregate operating lease expenditure
contracted for at balance date but not
provided for in the accounts:

Not later than one year	952	952
Later than one year but not later than 2 years	944	952
Later than 2 years but not later than 5 years	2,814	2,820
Later than 5 years	626	1,563
	<u>5,336</u>	<u>6,287</u>



Representing:

Cancellable operating leases	-	4,689
Non-cancellable operating leases	5,336	1,598
	<u>5,336</u>	<u>6,287</u>

Commitments in relation to non-cancellable operating leases are payable as follows;

Not later than one year	952	952
Later than one year but not later than 2 years	944	640
Later than 2 years but not later than 5 years	2,814	6
Later than 5 years	626	-
	<u>5,336</u>	<u>1,598</u>

13 CONTINGENT LIABILITIES

There are no known material contingent liabilities.

14 ASSISTANCE PROVIDED

Material assistance was provided by Staff and Salaries Branch of the Premier's Department who rendered staff services at no charge to the Commission.

15 PROGRAM INFORMATION

	Notes (a)	Program		Organisation	
		1993 \$'000	1992 \$'000	1993 \$'000	1992 \$'000
Total expenses		(14,250)	(15,124)	(14,250)	(15,124)
Revenues					
Sale of transcripts		29	72	29	72
Other revenue		9	33	9	33
Gain/(loss) on disposal of non-current assets		(16)	-	(16)	-
NET COST OF SERVICES		(14,228)	(15,019)	(14,228)	(15,019)
Government contributions (b)		13,747	15,421	13,747	15,421
Operating result after Consolidated					
Fund appropriations		(481)	402	(481)	402
Total Assets		7,048	7,531	7,048	7,531

NOTES

(a) Program - INVESTIGATION, COMMUNITY EDUCATION AND PREVENTION OF CORRUPTION

Objective(s): To minimise corrupt activities and enhance the efficiency and integrity of government administration.

(b) Government contributions	Program		Organisation	
	1993	1992	1993	1992
	\$'000	\$'000	\$'000	\$'000
Consolidated Fund				
recurrent appropriation	12,573	13,688	12,573	13,688
State acceptance of liabilities	414	518	414	518
Consolidated Fund capital				
appropriation	760	1,215	760	1,215
	<u>13,747</u>	<u>15,421</u>	<u>13,747</u>	<u>15,421</u>

The difference in 1991-92 between the Consolidated Fund capital allocation (\$1,215m) and the amount shown in the cash flow statement (\$1.685m) was due to essential capital items required being purchased out of recurrent funds. In 1992-93 no recurrent funds were used for capital assets acquisition purposes.

16 RECONCILIATION OF OPERATING SURPLUS/(DEFICIT) TO NET CASH USED ON OPERATING ACTIVITIES

	1993	1992
	\$'000	\$'000
Operating surplus/(deficit)	(481)	402
Increase/(decrease) in liabilities		
- Provision for employee entitlements	70	135
-Accrued charges	365	642
(Increase)/decrease in assets		
- Prepayments	(26)	(92)
- Accounts receivable	14	(34)
Depreciation	1,264	1,056
Government appropriations	(13,333)	(14,903)
State acceptance of liabilities	(414)	(518)

Net Cash Used on Operating Activities	12,541)	(13,312)
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17 NOTE TO CASH FLOW STATEMENT

Purchases of Plant & equipment

Additions at cost	775	1,670
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Decrease/(increase) in creditors	7	15
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Cash paid	782	1,685
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Disposal of Plant & equipment'

Cost or value	124	-
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Less: Accumulated depreciation	83	-
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	41	-
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Gain/(loss) on sale	(16)	-
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Cash received	25	-
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END OF AUDITED FINANCIAL STATEMENTS



APPENDIX 6

Additional Financial Information

Payment Performance Indicators

1 ACCOUNTS PAYABLE

	Current \$	30 days \$	60 days \$	90 days \$	Total \$
1st Quarter	188,594	112,167	4,128	0	304,888
2nd Quarter	249,215	180,059	55,497	105,937	590,708
3rd Quarter	158,665	286	0	0	158,951
4th Quarter	166,738	0	0	0	166,738

2 PAYMENTS ON TIME

	Accounts Paid on time Target %	Accounts Paid on time Actual %	Accounts Paid on time Revised %	Amount Paid on time \$	Amount Paid \$
1st Quarter	90.0	57.3	86.5	712,774	1,243,060
2nd Quarter	92.0	78.1	91.9	1,116,595	1,429,330
3rd Quarter	90.0	69.9	92.1	991,605	1,417,719
4th Quarter	90.0	86.0	92.0	1,824,354	2,115,828

COMMENTARY

Percentages of accounts paid on time in each quarter were affected by payments withheld by the Commission pending satisfactory provision of the goods or services ordered. A revised set of "Accounts Paid on Time" percentages excluding these retentions is shown above.

During the 4th quarter computerised cheque writing facilities were introduced in order to reduce processing time.

INTEREST PAYMENTS

During the financial year no payments were made for interest charges incurred for late payments,

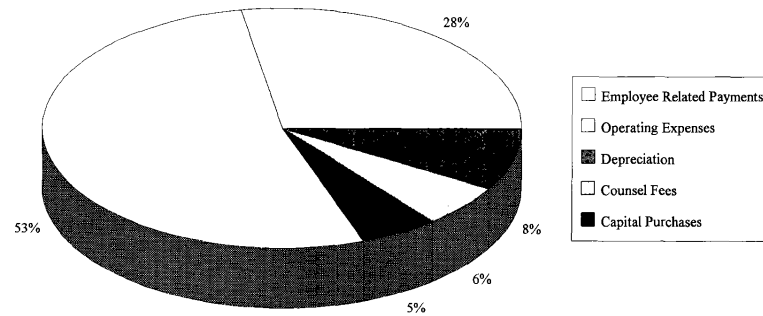
FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

For the reporting year no grants were paid to non-government community organisations.



APPENDIX 7

Dissection of Expenditure



ICAC

APPENDIX 8

Consultancies

Over \$30,000

During 1992/93 the Commission engaged DMR Group Australia Pty Limited at a cost of \$59,500 to work on the development of a computer application and to review the Information Technology Plan.

Under \$30,000

The Commission also outlaid a total of \$122,000 for specialised services from nine different consultants, each at an individual cost of less than \$30,000.

- | | |
|---|------------------------------------|
| ▪ Australian Construction Services | Security advice |
| ▪ Bell Information Services Pty Limited | Staffing advice |
| ▪ Bergman Voysey & Associates Pty Limited | Disaster recovery plan |
| ▪ Computech Pty Limited | Customise computer application |
| ▪ DPXCEL Pty Limited
service | Computer project management |
| ▪ S Dumbrell | Computer project management advice |
| ▪ Havens, Kirkwood k Meertens | Architectural services |
| ▪ Roy Morgan Research Centre Pty limited | Public attitude survey |
| ▪ Noble Lowndes Cullen Egan Dell | Restructuring and staffing advice |



APP ENDIX 9

Speeches

16.6.92	The Association of Consulting Engineers	Ian Temby QC
13.8.92	Public Duty Post ICAC Seminar	Ian Temby QC <i>Conflicts -just a Local Government Problem?</i>
25-28.10.92	Institute of Municipal Management Annual State Conference Perth	Ian Temby QC <i>Conflicts between interests and Duty</i>
28.10.92	National Press Club Canberra	Ian Temby QC
29.10.92	14th International Data Protection & Privacy Commissioner's Conference	Ian Temby QC <i>Report on the Unauthorised Release of Government information</i>
22.2.93	Senate Occasional Lecture Parliament House Canberra	Ian Temby QC <i>Safeguarding Integrity in Government</i>
8.3.93	Bar Association of NSW	Ian Temby QC <i>Advocacy in ICAC Proceedings</i>
18.3.93	Financial Executive Institute	Simon Stretton <i>The ICAC and Integrity Protection: Lessons for the Private Sector</i>
17.3.93	Certified Practising Accountants Congress	Simon Stretton <i>Fraud Prevention Investigation and Ethics in the Public Sector</i>
15-16.4.93	Public Sector Management Commission	Simon Stretton <i>Improving the Integrity of Public Sector Organisations</i>
19.4.93	National Conference on Future of Merit Protection Systems in Australian Public Sector Employment	Simon Stretton <i>The Public Sector has got to want to change</i>
6-11.6.93	Third International Conference on Ethics in the Public Service	Ian Temby QC <i>Tackling Public Sector Corruption in NSW"</i>



APPENDIX 10

Freedom of Information–Statement of Affairs

Every agency covered by the Freedom of Information Act 1989 is required by that Act to publish an Annual Statement of Affairs. 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 firmly committed towards 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

Postal Address:	ICAC GPO Box 500 SYDNEY NSW 2001
Street Address:	19 Cleveland Street REDFERN NSW 2016 Office hours 8:00am - 6:00pm, Monday to Friday
Telephone Enquiries:	(02) 318 5999 008 463 913 008 463 909
Facsimile:	(02) 699 8067

Freedom of Information Procedures

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

Arrangements can be made to obtain, onto inspect, copies of available documents at the Commission by contacting the FOI Co-ordinator. The Commission's FOI Co-ordinator is the Executive Director.

Structure and Functions

The Commission's organisational structure is set out in Appendix 4,

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 public sector. That information can be provided to the Assessments Section, 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 of complaints received from the public.

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 hearings out of 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 transcript is 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 PJC 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 FO1 Act:

- research reports
- administrative policy documents (such as personnel policies)
- general administration and education unit documents (such as accounts, staff records and educational programs),

Members of the public may contact the FO1 Co-ordinator to clarify which documents may be available under F01 legislation.

Commission publications, available free of charge, are listed at Appendix 12 of this Annual Report. They include investigation reports and corruption prevention reports. The Commission also publishes brochures about the Commission's activities and procedures,

Freedom of Information Requests in 1992/1993

During the year to 30 June 1993 the Commission received one inquiry which was deemed to be an application under the Freedom of information Act, The inquiry related to exempt documents. The Commission was exempt from the operation of the Act prior to 1 July 1992.



APPENDIX 11

Costs of Completed Investigations with Public Reports

Costings are prepared by way of a formula which takes account of direct and unique costs, and otherwise depends upon estimates and stated assumptions. The cost figures for each investigation, including hearings, are ascertained from;

- standard rates for hearing days including charges for presiding Commissioner, associate and hearing attendants
- average salary costs for investigators, analysts, lawyers and support staff associated with particular matters, based on estimated person/days spent on the matter
- actual hearing costs for counsel fees, transcription fees, witness expenses and general expenses incurred on country sittings
- actual investigative expenditures for travel, special supplies, temporary offices established in country areas, and miscellaneous general expenses

A share of administrative and general overheads is assigned for each accounting period to formal investigations. A rate of 37% was applied in 1992/93 determined on the basis of workloads within functional areas of the Commission. Overhead charges so assigned are then apportioned in accordance with a factor based on a combination of investigative and hearing days.

Costs of completed Investigations with Public Reports

MATTER	HEARING COSTS \$	COUNSEL COSTS \$	REPORT COSTS \$	INVESTIGATIVE COSTS \$	OVERHEADS \$	TOTAL COSTS \$
Unauthorised Release of Confidential Government Information (<i>August 1992</i>)	408,000	430,000	96,000	201,000	1,626,000	2,761,000
Second and Third Reports on Investigation into the Metherell Resignation and Appointment (<i>September 1992 and March 1993</i>)	1,500	500	11,000	30,000	29,000	72,000
Use of informers Investigation (<i>January 1993</i>)	174,000	423,000	39,000	91,000	803,000	1,530,000
State Rail Authority-Trackfast and Northern Region Investigations (<i>September 1992 and March 1993</i>)	179,000	61,000	27,000	248,000	902,000	1,417,000
Office of ombudsman Investigation (<i>June 1993</i>)	5,000	1,000	2,000	5,000	35,000	48,000

APPENDIX 12

Commission Publications

Annual Report to 30 June 1989

Report on Investigation Relating to the Park Plaza Site, October 1989 ("Park Plaza Report")

Report on Investigation Relating to the Raid on Frank Hakim's Office, December 1989 ("Hakim Report")

Report on Investigation into the Silverwater Filling Operation, February 1990 ("Silverwater Report")

Annual Report to 30 June 1990

Report on Investigation into North Coast Land Development, July 1990 ("North Coast Report")

Report on Investigation into Registration of DP787 368 at the Land Titles Office, July 1990 ("Land Titles Report").

Report on Investigation into the Randwick College of TAFE, August 1990 ("TAFE Report")

Annual Report to 30 June 1990

Report on Investigation into Dealings Between Homfray Carpets and the Department of Housing, September 1990 ("Housing Report")

Report on Investigation into the Walsh Bay Redevelopment Project, October 1990 ("Walsh Bay Report")

Report on Investigation into Driver Licensing, Volume 1 & 2, December 1990 ("RTA Report")

Report on Investigation into Harassing Telephone calls made to Edgar Azzopardi, December 1990 ("Azzopardi Report")

Report on Investigation relating to Stait, Dainford and Waverley Council, January 1991 ("Waverley Report")

Report on Investigation into Sutherland Licencing Police, February 1991 ("Sutherland Report")

The First Two Years - 19 Key Issues, March 1991 ("Issues Booklet")

Report on Investigation concerning Neal and Mochalski, April 1991 ("Neal and Mochalski")

Report on Investigation into Police and Truck Repairers, May 1991 ("Tow Truck Repairs")

Report on Investigation into Tendering for Vinyl Floor Products, July 1991 ("Vinyl Report")

Report on Investigation into the Maritime Services Board and Helicopter Services, July 1991 ("Helicopter Report")

Discussion Paper on Conflicts of Interest and Local Government, July 1991

Annual Report to 30 June 1991

Report on Investigation into the Planning and Building Department of South Sydney Council, December 1991 ("South Sydney Report")

Report on Investigation into Road Works in the Shire of Kyogle, January 1992 ("Kyogle Report")

Report on Investigation into the New South Wales Film Corporation and Pepper Distribution, March 1992 ("Film Corporation Report")

Report on Investigation into Local Government, Public Duties and Conflicting Interests, March 1992 ("Conflict of interest Report")

In Whose Interest - 18 Issues to Consider, March 1992 ("In Whose Interest")

Report on Investigation into the Sydney Water Board and Sludge Tendering, May 1992 ("Sludge Report") Report on the Investigation into the Metherell Resignation and Appointment, June 1992 ("Metherell Report")

Report on Investigation into the Conduct of Peter Blackmore, July 1992 ("Blackmore")

Report on Unauthorised Release of Government Information, Volumes 1, II, III, August 1992 ("Tamba Report")

Second Report on Investigation into the Metherell Resignation and Appointment, September 1992 ("Metherell II,,")

Report on Investigation into the State Rail Authority - Trackfast Division, September 1992 ("Trackfast Report")

Discussion Paper - Recruitment of Former Members of Parliament to the Public Service & Related Issues, October 1992

Annual Report to 30 June 1992

Report on Investigation into the Use of Informers Volumes 1 & 2, January 1993 ("KOA Report") Report on Investigation into the SRA - Northern Region, March 1993 ("SRA - Northern Region")

Integrity in Public Sector Recruitment, March 1993 ("Metherell III")

Discussion Paper on the Nature and the Management of the Relationship between Police and their Informants, May 1993 ("Informants Paper")

Report on investigation into the Office of the Ombudsman, June 1993 ("Landa Report")

Corruption Prevention Project Reports

Department of Housing-Maintenance Contracts (Executive Summary, Findings and Recommendations), February 1991

Roads and Traffic Authority - Driver Licensing (Executive Summary, Findings and Recommendations), April 1991

Purchase and Sale of Local Government Vehicles, December 1991

Allocation of Boat Moorings by the NSW Waterways Authority, March 1992

Department of Health - Cash Handling in Public Hospitals, July 1992

Secondary Employment of NSW Police Officers, August 1992

Plant Hire (Heavy Machinery), December 1992

Just Trade? Proceedings of Seminar on the ICAC Report on the Unauthorised Release of Government Information, February 1993 (This booklet costs \$8,00)

Local Government Speaks! March 1993

Department of Housing Maintenance Contracts - Monitoring Report, April 1993

Pitfalls or Probity - Tendering and Purchasing Case Studies, July 1993

Sponsorship Principles - A Discussion Paper, August 1993

