



CORRUPTION AND CRIME COMMISSION

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CORRUPTION AND CRIME COMMISSION

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Dear Mr Peacock
Dear Mr McHugh

I am pleased to transmit this Annual Report of the Corruption and Crime Commission for the financial year ended 30 June 2008 to each of you for presentation to Parliament in accordance with section 93(2) of the *Corruption and Crime Commission Act 2003*.

The report has been prepared in accordance with section 61(1) of the *Financial Management Act 2006*, and with sections 91 and 93(2) of the Act.

I note that under section 93(3) of the Act, a copy of a report transmitted to the Clerk of a House is to be regarded as having been laid before that House.

Yours faithfully

The Hon L W Roberts-Smith RFD QC
COMMISSIONER

26 September 2008

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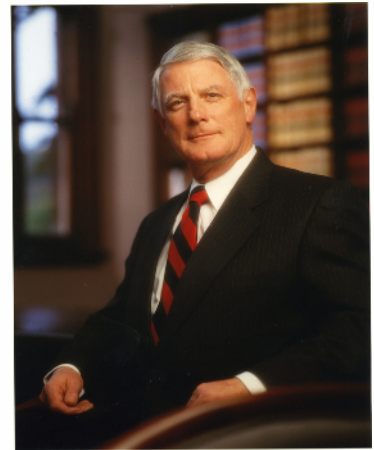
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COMMISSIONER'S FOREWORD

This fifth annual report of the Corruption and Crime Commission marks the end of an operationally demanding financial year during which the Commission's work was of considerable public interest and resulted in significant media attention. The Commission continued to progress with several inquiries stemming from its *'Investigation of Alleged Public Sector Misconduct Linked to the Smiths Beach Development at Yallingup'*, for which a report was tabled in October 2007. These *'Lobbying and Alleged Public Sector Misconduct'* inquiries have required the application of considerable investigative resources as they continue towards their investigative conclusions.



The 'Smiths Beach Report', tabled in Parliament in October 2007, which included the Commission's opinions that the conduct of particular public officers may have constituted misconduct pursuant to the *Corruption and Crime Commission Act 2003* (the CCC Act), again received further public attention as the Parliamentary Inspector tabled several reports which challenged the Commission's opinions and criticised the conduct of its investigations. This resulted in a broad public misperception, propagated in the media, that the Commission's misconduct opinions had been 'overturned', a power which is not available to the Parliamentary Inspector. As the Commission stands by its published opinions in relation to the affected public officers, this particular issue and the question of the Parliamentary Inspector's powers in regard to the manner in which that office may review investigations, remains unsettled. The Joint Standing Committee on the Corruption and Crime Commission has been engaged with both parties in seeking a resolution to the issues of discord and establishing processes to prevent the reoccurrence of similar circumstances.

The Commission continued its inquiry into whether any public officer has engaged in misconduct in relation to the investigation, prosecution, appeals and subsequent imprisonment of Mr Andrew Mallard in connection with the murder of Mrs Pamela Lawrence in 1993. This inquiry, now approaching its completion, has been conducted by the Honourable John Dunford QC, a retired Justice of the Supreme Court of New South Wales in the role of Acting Commissioner.

During the third quarter, the *'Review of the Corruption and Crime Commission Act 2003'*, undertaken by Ms Gail Archer SC, was tabled in Parliament by the Attorney General. This statutory review of the operation and effectiveness of the CCC Act made a range of recommendations for legislative amendment. As a key stakeholder, the Commission made submissions to the review, reflecting its knowledge and experience of the practical implementation of the legislation. Any legislative amendments are now a matter for Parliament.

Late in 2007, Acting Commissioner Neil McKerracher QC resigned from his office with the Commission to accept appointment as a Justice of the Federal Court. The Commission congratulates Justice McKerracher on this achievement and acknowledges with appreciation the work he undertook on behalf of the Commission. Ms Gail Archer SC, who had earlier completed the legislative review of the CCC Act, was appointed to the role of Acting Commissioner in April 2008.

During 2007-2008, the Commission delivered 70 corruption prevention and education seminars and workshops to over 2,700 persons as part of its corruption prevention and education function and tabled six reports in Parliament. It also launched its Misconduct Resistance Framework. This framework will provide the basis for the Commission's work with public sector agencies as it seeks to assist them build corruption resistant business processes.

In the performance of its misconduct function, the Commission received and assessed 2,308 complaints and notifications of misconduct by public officers, monitored 2,109 Appropriate Authority Investigations of misconduct allegations and reviewed 2,352 completed misconduct investigations. Twenty-three percent of allegations the subject of Appropriate Authority Investigations were sustained. The Commission charged 18 persons with 62 criminal offences and six persons were convicted on charges resulting from Commission investigations, during the reporting period.

Having now completed my first full year as Commissioner I am able to observe the value of the Commission's work to the Western Australian public sector and community. While still a young agency, the Commission has achieved significant success in achieving its purpose of helping public authorities to deal effectively and appropriately with misconduct by increasing their capacity to do so. I look forward to the Commission's continuing success supported by its dedicated and professional staff.



The Hon L W Roberts-Smith RFD QC
COMMISSIONER

OVERVIEW: THE YEAR IN BRIEF

MISCONDUCT FUNCTION

- Received and assessed **2,308** complaints and notifications of misconduct and made **12** 'own propositions' of misconduct (23% of allegations investigated were substantiated).
- Monitored **2,109** Appropriate Authority Investigations into alleged misconduct, conducted by public authorities.
- Reviewed **2,352** completed Appropriate Authority Investigations into alleged misconduct conducted by public authorities.
- Approved **423** applications for the use of the Commission's statutory powers by Commission officers under the CCC Act.
- Charged **18** persons, including **nine** public officers, with **62** criminal offences. Additionally, **nine** persons, including **six** public officers, were convicted on Commission investigation related charges.
- In respect of one matter it conducted public hearings involving **28** witnesses over **45** days, and **20** private hearings involving **56** witnesses over **27** days.

PREVENTION AND EDUCATION FUNCTION

- Delivered **70** corruption prevention and education sessions and **144** consultancies involving **2,727** persons from a range of WA public authorities in metropolitan and regional areas and from the community.
- Produced **9** major and **16** minor corruption prevention education materials in both hardcopy and on-line formats.
- Undertook an evaluation of the responses of public authorities to the Commission's recommendations intended to reduce the incidence of misconduct.
- Reviewed the reports of a representative sample of public authorities¹ in relation to their misconduct prevention and management systems, determining that **62%** asserted they had a formal strategy for misconduct (corruption) prevention and **76%** asserted they had identified their misconduct risks.
- Launched its Misconduct Resistance Framework.

¹ Excluding local government authorities.

ORGANISED CRIME FUNCTION

- The organised crime function was not performed during the reporting year as no applications to access the available powers were received from the Commissioner of Police. The Commission is not able to exercise these powers in the absence of such applications.
- The statutory review of the CCC Act has recommended in its report that the legislation be amended to expand the Commission's organised crime function to include participation in serious and organised crime investigations. This is now a matter for Parliament.

SUPPORTING THE COMMISSION

- The Commission's Wellness Program marked its second year of promoting a culture of health. The program includes regular fitness activities, a weight-loss program, corporate challenges, information sessions, ergonomic workplace assessments, flu vaccinations and the circulation of a Wellness Program Calendar to all staff containing information and tips for healthy living.
- The Commission's Occupational Safety and Health Committee promoted safety in the workplace, coordinated inspections and ensured greater awareness of occupational safety and health amongst Commission staff. There were no lost time injuries during the year.
- The Commission continued its focus on developing its staff members through its Individual Development Plan, Awards and Recognition Program, pilot Mentor Program, Study Scholarship Program and other individual personal development training opportunities.

REPORTS TABLED IN THE PARLIAMENT

- *Report on the Investigation of Alleged Public Sector Misconduct Linked to the Smiths Beach Development at Yallingup*, tabled 5 October 2007
- *Report on the Investigation into Inappropriate Associations between Western Australia Police Officers and Pasquale Minniti*, tabled on 21 December 2007
- *Report on the Investigation of Alleged Misconduct concerning Dr Neale Fong, Director General of the Department of Health*, tabled 25 January 2008
- *Report on an Administrative Matter relating to the Functions of the Commission*, tabled 14 March 2008
- *Report into the Discontinuance of a Prosecution Against Joe McDonald on 24 May 2008*, tabled 11 April 2008
- *Corruption and Crime Commission Report on Behalf of the Procedure and Privileges Committee of the Legislative Assembly: Inquiry Conducted into Alleged Misconduct by Mr John Edwin McGrath MLA, Mr John Robert Quigley MLA and Mr Benjamin Sana Wyatt MLA*, presented to the Deputy Speaker 10 June 2008

REQUIRED REPORTING

The CCC Act requires the Commission to report certain information under section 91(2), including:

Activity	Number
Section 46: Organised crime exceptional powers findings	0
Section 68: Organised crime fortification warning notices	0
Section 94: Notices to produce a statement of information served	19
Section 101: Search warrants	26
Section 103: Approvals for assumed identities	23
Section 121: Conduct controlled operations	4
Section 123: Integrity testing programmes	5
Section 148: Arrest warrants	0
<i>Surveillance Devices Act 1998</i> warrants	12
<i>Telecommunications Interception and Access Act 1979</i> warrants	102

OPERATIONAL STRUCTURE

ENABLING LEGISLATION

The Corruption and Crime Commission (the Commission) was established on 1 January 2004 following proclamation of the *Corruption and Crime Commission Act 2003* (the CCC Act) in the Government Gazette on 30 December 2003.

RESPONSIBLE MINISTER

The Commission is a body corporate with perpetual succession that, as an independent agency, reports directly to the Parliament. The Commission is overseen by a parliamentary committee – the Joint Standing Committee on the Corruption and Crime Commission – which is aided by the Parliamentary Inspector of the Corruption and Crime Commission. For budgetary purposes, the Attorney General is the responsible Minister.

MISSION

The Commission's mission is to:

- improve continuously the integrity of, and to reduce the incidence of misconduct in, the public sector; and
- combat and reduce the incidence of organised crime.

ORGANISATIONAL CHART



SENIOR OFFICERS

Commissioner – The Hon Len Roberts-Smith RFD QC

The Hon Len Roberts-Smith was appointed Commissioner of the Corruption and Crime Commission on 8 May 2007, resigning from the Supreme Court of Western Australia to take up the appointment. He was appointed Queen's Counsel in 1989, was sworn-in as a Justice of the Supreme Court in 2000 and, in 2004, was appointed as one of the first Judges of Appeal of the Court of Appeal Division of the Supreme Court. From June 2002, he also was the Judge Advocate General of the Australian Defence Force, with the rank of Major General, a position he relinquished in assuming his appointment with the Commission.

Acting Commissioner – The Hon John Dunford QC

The Honourable John Dunford QC was appointed as an Acting Commissioner in on 11 April 2007 in order to conduct the Commission's inquiry into the Andrew Mallard matter.² Mr Dunford was appointed Queen's Counsel in 1980 and then to the District Court of New South Wales in 1986, where he remained until 1992 when he was appointed to the Supreme Court of that State. As a Justice of the Supreme Court, he presided over some of the most serious criminal trials in New South Wales and regularly sat on the Court of Criminal Appeal before retiring in April 2005.

Acting Commissioner – Mr Christopher Shanahan SC

Acting Commissioner Shanahan was first sworn-in as Acting Commissioner on 22 August 2005 for a period of two years, and was re-appointed on 21 August 2007 for a further three year term. Mr Shanahan was appointed Senior Counsel for the State of Western Australia on 1 December 2004, he was admitted to practice in WA in 1984 and has been admitted to practice in NSW and before the High Court of Australia.

Acting Commissioner – Ms Gail Archer SC

Acting Commissioner Archer was sworn-in as Acting Commissioner on 29 April 2008. Ms Archer spent the first 13 years of her career at the then Crown Solicitor's Office and the DPP before being appointed Principal Counsel of Legal Aid. She joined the independent bar in 2004, served as a Commissioner of the District Court for periods in 2005 and 2006 and was appointed Senior Counsel in 2007. Ms Archer was a member of the Legal Practice Board for three years, and is currently a member of the

² Mr Mallard spent 12 years in prison following his conviction in 1994 for the murder of Mrs Pamela Lawrence. Following two unsuccessful appeals, Mr Mallard's conviction was overturned by the High Court. The general scope and purpose of the investigation involves the investigation of the conduct of officers of the Western Australia Police involved in the investigation of the murder of Pamela Lawrence, and officers of the Office of the Director of Public Prosecutions in the prosecution of Andrew Mallard.

Medical Board. She completed the statutory *Review of the Corruption and Crime Commission Act 2003* in February 2008.

Executive Director – Mr Mike Silverstone

Mr Silverstone is the Commission's principal officer and advisor to the Commissioner on all aspects of the Commission's operations and activities. The Executive Director oversees and coordinates the Commission's operations in accordance with the Commissioner's strategic directions.

ADMINISTERED LEGISLATION

The Commission is established under and operates pursuant to the *Corruption and Crime Commission Act 2003*.

OTHER KEY LEGISLATION

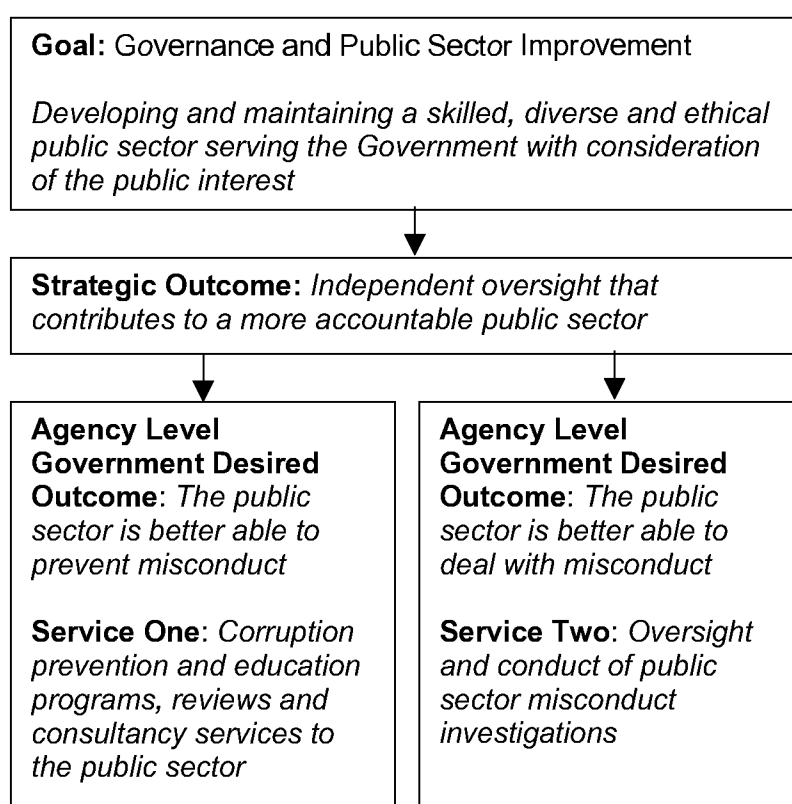
The key legislation affecting the performance of the Commission's functions and operations includes:

- *Criminal Investigation Act 2006*
- *Criminal Procedure Act 2004*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Industrial Relations Act 1979*
- *Legal Practice Act 2003*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *State Records Act 2000*
- *Surveillance Devices Act 1998*
- *Telecommunications Act 1997 (Cth)*
- *Telecommunications (Interception and Access) Act 1979 (Cth)*
- *Telecommunications (Interception) Western Australia Act 1996*

PERFORMANCE MANAGEMENT FRAMEWORK OUTCOME BASED MANAGEMENT

Better Planning: Better Futures, a Framework for the Strategic Management of the Western Australian Public Sector, was published by the Department of the Premier and Cabinet in September 2006. It requires the alignment of Agency Level Government Desired Outcomes and their associated services with one or more specified Government Goals and associated Strategic Outcomes.

The Commission has three Agency Level Government Desired Outcomes and three associated services. These align with two Government Goals and Strategic Outcomes within the Government's strategic management framework.

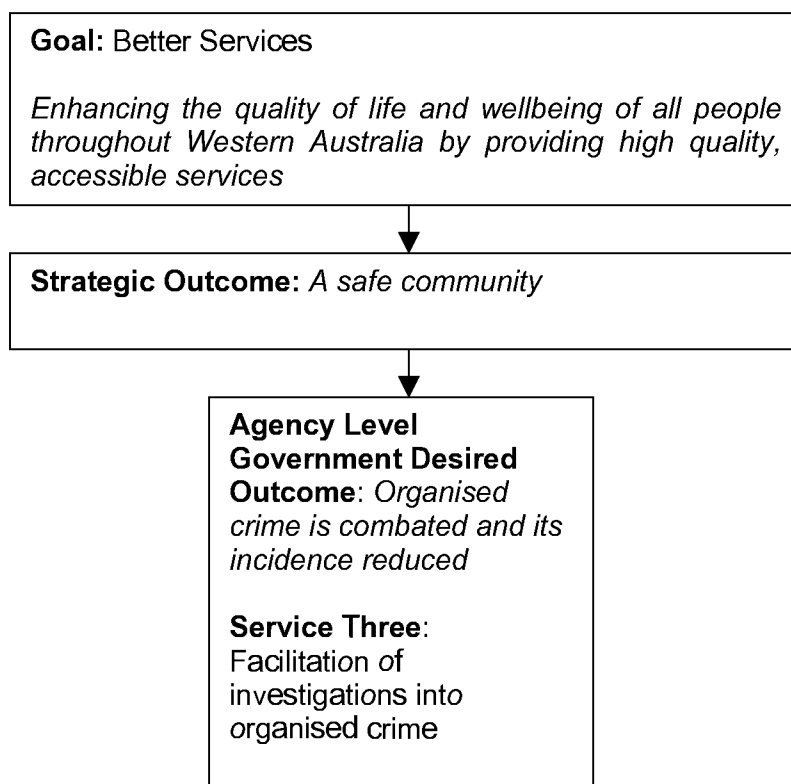


Service One: *Corruption prevention and education programs, reviews and consultancy services to the public sector*

This service is derived from section 17 of the CCC Act, which establishes the Commission's 'prevention and education function' of helping to prevent misconduct. The performance of this service involves Commission staff gathering and analysing information in relation to misconduct and reporting or communicating this information through presentations, consultations and materials for misconduct prevention purposes.

Service Two: *Oversight and conduct of public sector misconduct investigations*

This service is derived from section 18 of the CCC Act, which establishes the Commission's 'misconduct function' to ensure that an allegation or information involving misconduct is dealt with in an appropriate way. It involves the receipt and assessment of misconduct allegations and notifications and the conduct, or the monitoring and review, of any consequent misconduct investigations.



Service Three: *Facilitation of investigations into organised crime*

Section 21 of the CCC Act provides for the Commission's 'organised crime functions', which constitute its Service Three. This involves the facilitation and oversight of the use of enhanced and exceptional powers by the Western Australia Police in the police's organised crime investigations.³

³ The Commission has no investigative crime powers itself, but regulates any use of the organised crime powers available under the CCC Act by the Western Australia Police for these purposes.

CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK

The Commission's Outcome Based Management Framework did not change during 2007-2008.

An amendment was made to the manner in which a Key Performance Indicator of effectiveness is measured in order to improve the value of that indicator. For further information refer to the Key Performance Indicators section of this report.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

The Commission did not share any responsibilities with other agencies in 2007-2008.

AGENCY PERFORMANCE – REPORT ON OPERATIONS

The Corruption and Crime Commission was established under the *Corruption and Crime Commission Act 2003* and it commenced operations in 2004.

Under the CCC Act, the Commission has two purposes:

- *'to combat and reduce the incidence of organised crime'*; and
- *'to improve continuously the integrity of, and to reduce the incidence of misconduct in, the public sector'*.⁴

While the Commission has had significant success in achieving the second of the CCC Act's purposes through the performance of its 'Prevention and Education Function' and its 'Misconduct Function', the CCC Act's first purpose, intended by Parliament to be met through the 'Organised Crime Function', has remained unachieved and beyond the Commission's control.

A legislative review of the operation and effectiveness of the CCC Act, which was required three years after its commencement, was completed during the 2007-2008 reporting period and the resulting report, containing 58 recommendations for legislative amendment, was tabled in Parliament. Included in its recommendations was that the Commission be empowered to enable it to conduct serious and organised crime investigations, either jointly with the Western Australia Police or independently. If implemented, the relevant legislative amendments will allow the Commission to actively participate in achieving the CCC Act's 'organised crime' purpose.

ORGANISED CRIME FUNCTION

The first purpose of the CCC Act, *'to combat and reduce the incidence of organised crime'*, is described as the Organised Crime Function, and is described at section 21 and Part 4 of the CCC Act. This function is incorporated into the Commission's performance management framework as:

Service Three: *Facilitation of investigations into organised crime.*

In seeking to achieve this purpose, the Commission is not empowered to act independently. While the intent of the legislation is clear, the outcome of reducing organised crime through the CCC Act has not been realised.

In any contribution to the reduction of organised crime, the Commission is restricted to facilitating the use of the exceptional powers available under the CCC Act by the Western Australia Police. No applications to use these powers were received from the Commissioner of Police during 2007-2008, resulting in this aspect of the legislation remaining unutilised.

⁴ Section 7A *Corruption and Crime Commission Act 2003*.

PREVENTION AND EDUCATION FUNCTION

The Commission's second purpose under the CCC Act is '*to improve continuously the integrity of, and to reduce the incidence of misconduct in, the public sector*'.⁵ The Commission's Service One contributes to its achievement.

- **Service One:** *Corruption prevention and education programs, reviews and consultancy services to the public sector.*

The Commission performs its prevention and education function, in accordance with section 17 of the CCC Act, seeking to improve integrity across the public sector by building the capacity of public authorities to prevent and deal effectively with misconduct. To achieve this, the Commission focuses on both public sector agencies and the community through:

- providing consultancy services to public sector agencies to assist them to deal more effectively and appropriately with misconduct matters, in terms of both misconduct risks and misconduct incidents, across the whole of the agency;
- conducting reviews of single agencies, or of groups of agencies, to assess the effectiveness of misconduct management systems;
- developing education materials and presentations for the sector covering broad public sector misconduct themes and issues, including those arising from the Commission's monitoring and investigation functions;
- undertaking collaborative research projects with universities and other agencies into misconduct issues;
- overseeing the implementation of Commission recommendations;
- increasing community awareness through public hearings, meetings and presentations to community groups; and
- conducting community and public sector perception surveys to assist in evaluating the effectiveness of its education programs.

The Commission will continue to monitor Western Australia Police's reform processes and will report on various aspects of it from time to time.

Education

During the reporting period, the Commission delivered 70 education presentations to 2,583 persons across the state.

Conflicts of Interest Workshops

In the first half of the financial year the Commission's major focus for its education programs was its Conflicts of Interest Workshops. The second half of the financial year saw a general trend towards requests for more thematic presentations tailored to specific agency environments. While responding to these requests, the focus of education activities during this period shifted towards developing agency capacity to prevent and manage misconduct through systemic agency reviews, thematic inquiries and the development of educational resources.

⁵ Section 7A(b) *Corruption and Crime Commission Act 2003*.

The cessation of the Commission's widely attended Conflicts of Interest Workshop program in the second half of 2007 saw a planned decline in the number of presentations as the Commission encouraged agencies to incorporate the workshop as part of their staff training programs. To support agencies, the Conflicts of Interest training package was made available on-line from the Commission's website in December 2007. The materials were also incorporated into the Department of the Premier and Cabinet's training program, *Accountable and Ethical Decision Making in the WA Public Sector*.

Australian Public Sector Anti-Corruption Conference 2009

In October 2007 the Commission, in conjunction with the Crime and Misconduct Commission (CMC) in Queensland and the Independent Commission Against Corruption (ICAC) in New South Wales, co-hosted the inaugural Australian Public Sector Anti-Corruption Conference in Sydney. The conference was overwhelmingly well-received, being attended by over 600 delegates from interstate and overseas. Planning for the next conference, to be held in Queensland in 2009, is well-advanced.

Community Awareness

Raising community and public sector awareness regarding Commission responsibilities and activities through more broad-based approaches was also a strategic priority. These included:

- the Commissioner's key-note addresses at a number of public forums including Edith Cowan University, the Western Australian Local Government Association and an Institute of Public Administration Australia, WA Branch, event;
- the provision of educational and promotional displays at major public sector conferences, including the WA Local Government Association Conference and the RiskCover Conference in August 2007;
- presentations to a broad range of community groups and professional associations; and
- the expansion and development of the Commission's published materials and on-line education services.

Corruption Prevention Newsletter

The Commission published two editions of its Corruption Prevention Newsletter during the reporting period. Through its newsletters, the Commission provides useful information to public officers and the community on its recent activities, developments in misconduct resistance and related research and other educational information. Copies of the newsletter are distributed to public agencies as well as it being available on the Commission's website.

Corruption Prevention Materials

In addition to the continued publication of the Corruption Prevention Newsletter, the expansion and revision of the Commission's suite of education materials was given priority. In part this was to support the Commission's broad-based education approach but was also driven by themes and issues emerging from Commission investigations.

Misconduct Resistance Program

The release of the *Misconduct Resistance: An Integrated Governance Approach to Protecting Agency Integrity* framework and the supporting Integration Guide in June 2008 was the Commission's first major education publication aimed at helping Western Australian public authorities deal effectively with misconduct. The framework assists agencies to recognise misconduct as a significant business risk and to integrate misconduct resistance strategies within their existing strategic planning, corporate governance and operational systems.

The Commission consulted widely in developing the framework drawing on:

- its view of best practice in misconduct management based on four years of experience in assisting the sector deal effectively with misconduct;
- the work of other integrity bodies within WA and interstate; and
- workshops that canvassed the views and experience of 63 senior executives and managers from 43 WA public sector agencies.

Inquiries and Reviews

As well as the misconduct investigation-based inquiries conducted by the Commission, it also conducts inquiries and reviews for corruption prevention purposes. This takes the form of research, corruption prevention analysis and the making of relevant recommendations for improvements to systems, processes and policies.

Systemic reviews are a powerful prevention tool and the Commission has commenced a 'rolling program' of these pursuant to sections 17(2)(ac) and 18(2)(d) of the CCC Act to assess the ability of public sector agencies to deal with and prevent misconduct and, if appropriate, make recommendations aimed at developing the capacity of agencies to better manage these matters.

Department of Health

The Commission has allocated staff to a dedicated review team which commenced its activities with a review of the misconduct management systems within the Department of Health. To date this has involved a review of discrete health units including Princess Margaret Hospital, WA Country Health Service - Kimberley and pharmaceutical services across the department. While well-advanced, the review will continue into the next financial year.

Department of Planning and Infrastructure

A separate review of the Department of Planning and Infrastructure (DPI), modelled on the Commission's Misconduct Resistance framework, started in February 2008. DPI is a large and complex organisation, that affects the lives of all Western Australians through its many and diverse functions. The review aims to provide a comprehensive analysis of the agency's capacity to identify risks and prevent, detect and manage misconduct, and is breaking new ground for the Commission in terms of the conduct and scope of agency reviews. The review has the full support of the Director General of DPI. The review team uses a range of tools to obtain information to inform the assessment. These include interviews with senior staff, a staff perceptions survey, a review of agency policies and procedures, and site visits to both regional and metropolitan locations. The review has a number of stages and will extend into 2009.

Research

In addition to conducting agency reviews, the Commission undertakes background research on corruption prevention themes and issues in support of Commission investigations and operations. This includes identifying emerging themes and issues from Commission hearings. The Commission ensures that it gives regard to its prevention and education function in all of its activities.

Western Australia Police Reform

During the financial year the Commission completed its final report on police reform, *'Four Years on from Kennedy'*, for the Minister of Police and the Commissioner of Police. The report concludes the Commission's oversight role in respect to the implementation of the Kennedy Royal Commission recommendations and is a recognition that the Western Australia Police reform program has now evolved beyond the Kennedy recommendations.

The Commission provides a significant consultation and support service to Western Australia Police by way of regular meetings, consultation and the provision of advice on specific matters, and through presentations to development programs for senior police. While the oversight role in respect of the Kennedy Royal Commission recommendations has concluded, a high level of involvement with Western Australia Police will continue as part of the Commission's wider education, consultancy and complaints management activities.

Partnership in National Whistleblower Research

The Commission is a 'partner investigator' in the *Whistling While they Work* research project, a jointly funded national research project into whistle blowers. The research is being undertaken with the Australian Research Council, as well as several universities and industry partners throughout Australia, including a number of integrity agencies. In WA the research partners are Edith Cowan University, the Office of Public Sector Standards Commissioner and the Ombudsman (Parliamentary Commissioner for Administrative Investigations).

With the data gathering phase now finished the project team delivered its first report to the Australian Public Sector Anti-Corruption Conference in October 2007. The Commission will use the results of the research, in cooperation with the other WA partners, to develop targeted, WA-specific educational initiatives and resources.

The Integrity Coordinating Group

In June 2008 the Commission assumed the chair (rotational appointment for 12 months) of the Integrity Coordinating Group (ICG). The ICG was formed in 2004 to foster collaboration and coordination between the four oversight bodies responsible for the promotion of integrity in the Western Australian Public Sector. The ICG members are the Auditor General, the Commissioner for Public Sector Standards, the Ombudsman and the Commissioner of the Corruption and Crime Commission.

The ICG has continued to meet regularly with major projects during the last 12 months including:

- Integrity Forum in August 2007;
- regional visit to Bunbury 'Introducing the ICG' in October 2007; and
- planning for a panel forum in October 2008 addressing commonly occurring integrity issues.

Public Perceptions Survey

New research commenced during the reporting year included a 'Public Perceptions Survey' that looked at public attitudes towards the WA public sector generally. The survey was conducted in February 2008 with the assistance of an independent research company. The Commission presented the research results to the Joint Standing Committee at its public hearing on 27 February 2008.

The public expressed a strong belief in the honesty and integrity of public sector employees but were less confident about public sector complaints processes, with five in 10 respondents believing that the chances of detecting misconduct were slim and that those who complained against public officials were likely to suffer as a result.

The research provided valuable information about areas of public sector integrity that are of concern to the WA community, highlighting a number of areas where improvements could be made. There was a general view held by 90 percent of respondents that more could be done to stop misconduct in the public sector, including more tangible consequences for persons engaged in dishonest and unethical behaviour.

Regional Outreach Program

Catering to the needs of regional Western Australia continued to be a priority. Planning was finalised for the launch of the Commission's inaugural 'Regional Outreach Program' to occur during November and December 2008 with regional visits to Broome, Kununurra and Kalgoorlie. The regional Outreach Program will be

an ongoing commitment for the Commission, with annual visits to different regional areas.

The Regional Outreach Program will involve the participation of Commission officers from all of its operational areas including its Corruption Prevention and Education Directorate, its Investigations Review and Complaints Assessment Unit and its Investigations Unit, with the Commissioner leading the program at a number of events. The program will include a series of community events, education workshops and presentations for the public sector as well as a number of meetings to address the issues faced by individual agencies. Opportunities will be provided for individuals to meet with Commission staff to discuss misconduct complaints or concerns.

Reports Tabled in Parliament

During 2006-2007, the Commission tabled the following six reports in Parliament:

- *Report on the Investigation of Alleged Public Sector Misconduct Linked to the Smiths Beach Development at Yallingup*, tabled 5 October 2007, containing six recommendations to the Department of Environment and Conservation and the Department of Local Government and Regional Development;
- *Report on the Investigation into Inappropriate Associations between Western Australia Police Officers and Pasquale Minniti*, tabled on 21 December 2007, containing five recommendations;
- *Report on the Investigation of Alleged Misconduct concerning Dr Neale Fong, Director General of the Department of Health*, tabled 25 January 2008, containing five recommendations;
- *Report on an Administrative Matter relating to the Functions of the Commission*, tabled 14 March 2008;
- *Report into the Discontinuance of a Prosecution Against Joe McDonald on 24 May 2008*, tabled 11 April 2008; and
- *Corruption and Crime Commission Report on Behalf of the Procedure and Privileges Committee of the Legislative Assembly: Inquiry Conducted into Alleged Misconduct by Mr John Edwin McGrath MLA, Mr John Robert Quigley MLA and Mr Benjamin Sana Wyatt MLA*, presented to the Deputy Speaker 10 June 2008, containing two recommendations.

Commission Recommendations

Under section 91(2)(c) of the CCC Act, the Commission is required to report on its 'evaluation of the response of appropriate authorities to recommendations made by the Commission'.

Of the 22 recommendations made during 2007-2008 to public sector agencies, 11 were acknowledged and accepted and 8 implemented. The Commission is monitoring the status of the remainder which are under consideration by the respective agencies.

Since its establishment, the Commission has made 131 recommendations contained in 21 reports. Of the total recommendations made, 88 percent have been

acknowledged and accepted by agencies, two percent have not been accepted and 10 percent are the subject of further discussion and review by the affected agencies.

Of the total accepted recommendations made prior to this financial year, 35 have been completed and 77 remain outstanding. The principal reasons for the non-completion of the majority of recommendations are:

- legislative amendment requirements;
- awaiting parliamentary process; and
- stalled due to budget constraints.

In addition to the above, there are also a number of recommendations that are being progressed in a collaborative process between the Commission and the subject agency. These collaborative measures provide both agencies with the ability to achieve the best outcome from the recommendation as well as providing strong bases for future misconduct resistance strategies.

In 2007-2008, the Department of Consumer and Employment Protection and the Government Regional Housing Authority completed all recommendations made by the Commission in its report resulting from the corruption prevention reviews tabled in February 2007. This represents significant steps towards the mitigation of their misconduct risks.

MISCONDUCT FUNCTION

The Commission's Service Two contributes towards the achievement of its second purpose, *'to improve continuously the integrity of, and to reduce the incidence of misconduct in, the public sector'*.

- **Service Two:** *Oversight and conduct of public sector misconduct investigations.*

The Commission's misconduct function is composed of two main elements:

- the oversight of *appropriate authority*⁶ misconduct investigations; and
- the conduct of serious misconduct investigations.

Oversight of Appropriate Authority Investigations

The Commission's oversight of public sector misconduct investigations involves the receipt of allegations and notifications of misconduct, the assessment of those matters received, which may lead to their referral to an appropriate authority for investigation (including by the Commission), the monitoring of the resulting investigations, and the review of the investigations once completed to ensure that the outcomes are appropriate.

The following table details the various misconduct complaint activities completed by the Commission during the 2007-2008 reporting period.

Activity	2007-2008
Assessments of complaints/notifications	2,308 (2,899 allegations)
Appropriate authority investigations commenced	2,186
Appropriate authority investigations monitored	2,109
Appropriate authority investigations reviewed	2,352

Table 1: Dealing with Matters

⁶ Section 3 of the CCC Act defines 'appropriate authority' as 'a person, body or organisation who or which is empowered by a law of the State to take investigatory or other action, or both, in relation to misconduct, but does not include an independent agency or either House of Parliament'.

The Commission may receive allegations and notifications of public officer misconduct from a range of sources. The following table includes the sources of these reports for the reporting period in comparison with previous years.

Misconduct Notifications	2004-05	2005-06	2006-07	2007-08
Reports of misconduct from individuals (section 25) (the Public)	582	472	457	493
Notifications of misconduct from notifying authorities (section 28) (Public Sector Agencies)	518	757	1,412	1,866
Reviewable police action (section 21A (excludes allegations against police under sections 25 and 28)) (Western Australia Police)	1,310	1,132	698	528
Commission's own proposition about misconduct (Section 26) (CCC)		26	18	12
Total Notifications⁷	2,410	2,387	2,585	2,899

Table 2: Misconduct Notification Sources

The following table displays the breakdown of allegations received by the Commission against public officers within particular sector groups.

	2004-05		2005-06		2006-07		2007-08	
Agency Sector	No.	%	No.	%	No.	%	No.	%
WA Police	1,580	67%	1,346	57%	1,474	57%	1,189	41%
Education	220	9%	243	10%	275	11%	523	18%
Corrective Services	201	8%	153	7%	175	7%	226	8%
Local Government	157	6%	187	8%	158	6%	231	8%
Health	56	2%	76	3%	175	7%	256	9%
Planning & Infrastructure							23	1%
Other	196	8%	356	15%	328	12%	430	15%
Outside Jurisdiction							21 ⁸	>0%
Total	2,410	100%	2,361	100%	2,585	100%	2,899	100%

Table 3: Allegations by Agency Sector

⁷ Based on 'allegations' from 2006-2007 forward.

⁸ This category was not previously reported.

The following table displays the Commission's assessment decisions for the referral of matters to appropriate authorities for the conduct of misconduct investigations.

	2004-05		2005-06		2006-07		2007-08	
Decision	No.	%	No.	%	No.	%	No.	%
Referred to home agency for investigation	1,516	64%	1,504	64%	1,828	71%	1,582	55%
Referred to WA Police for (external) criminal investigation	55	2%	57	2%	167	6%	32	1%
Referred to both home agency and Police	15	1%	12	1%	172	7%	247	9%
Referred to CCC Investigations Unit	53	2%	45	2%	20	1%	28	1%
Referred to independent authority	7	>0%	2	>0%	6	>0%	4	>0%
Take no action	740	31%	741	31%	379	15%	561	19%
Take no action (police audit) ⁹	N/A	N/A	N/A	N/A	N/A	N/A	381	13%
Referred to appropriate authority other than home agency	N/A	N/A	N/A	N/A	11	>0%	53	2%
Referred to home agency and other appropriate authority	N/A	N/A	N/A	N/A	1	>0%	3	>0%
Referred to Commission CCC Investigations Unit in cooperation with appropriate authority	N/A	N/A	N/A	N/A	1	>0%	8	>0%
Total	2,386	100%	2,361	100%	2,585	100%	2,899	100%

Table 4: Referrals upon Assessment

⁹ This category of referral commenced 1 January 2008.

The following table provides a breakdown of the categories of allegations received and assessed by the Commission.

Allegation Category ¹⁰	2004–05		2005–06		2006–07		2007–08	
	No.	%	No.	%	No.	%	No.	%
Abuse of power					52	2%	80	3%
Arson					2	>0%	2	>0%
Assault – physical/excessive use of force	407	17%	364	15%	375	15%	457	16%
Assault – sexual/indecent					47	2%	53	2%
Breach of code of conduct/policy/procedures					264	10%	258	9%
Breach of confidentiality/misuse of information/improper disclosure	142	6%	182	8%	113	4%	115	4%
Bribes – receiving of					6	>0%	6	>0%
Bullying/intimidation/harassment	94	4%	106	4%	144	5%	150	5%
Conflict of interest	46	2%	35	2%	42	2%	68	2%
Contracts and tendering	10	>0%	17	1%	8	>0%	15	1%
Corrupt conduct	96	4%	54	2%	124	5%	60	2%
Death in custody					4	>0%	5	>0%
Drugs – stolen/missing							99	3%
Drug related conduct	107	4%	90	4%	37	1%	82	3%
Electoral misconduct					0	0%	7	>0%
Failure to act					52	2%	144	5%
Failure to declare gifts					2	>0%	2	>0%
Failure to declare interest – financial/proximity/other					13	1%	26	1%
Firearms – misuse of	19	1%	5	>0%	7	>0%	8	>0%
Fraud/falsification/fabrication					102	4%	125	4%
Improper association	53	2%	45	2%	59	2%	66	2%
Inappropriate behaviour					125	5%	182	6%
Indecent dealing with minor					7	>0%	9	>0%
Making false claims for reimbursement					1	>0%	9	>0%
Making misleading/false/defamatory statements	40	2%	35	2%	40	2%	28	1%
Medical malpractice					0	0%	2	>0%
Misappropriation of funds	136	6%	97	4%	12	>0%	11	>0%
Miscellaneous							46	2%
Misuse of computer system/email/internet	82	3%	82	3%	119	5%	123	4%
Neglect of duty	342	14%	349	15%	305	12%	116	4%
No allegation identified							15	1%
No suspect behaviour – intelligence purposes only							7	>0%
Other	317	13%	297	12%	58	2%	70	2%
Other property related offence					14	1%	14	>0%
Secondary employment – unauthorised/inappropriate	16	1%	12	1%	15	1%	24	1%
Serious criminal conduct					19	1%	28	1%
Sexual harassment					9	>0%	13	>0%
Stealing/theft	72	3%	90	4%	73	3%	103	4%
Unauthorised use of agency property	36	1%	19	1%	26	1%	21	1%
Unlawful arrest	95	4%	106	4%	24	1%	6	>0%
Unlawful search/trespass	16	1%	24	1%	16	1%	1	>0%
Unprofessional conduct – demeanour/attitude/language	284	12%	352	15%	241	9%	196	7%
Using position for wrong/personal gain					28	1%	47	2%
Total	2,410	100%	2,361	100%	2,585	100%	2,899	100%

Table 5: Complaints by Allegation Category

¹⁰ Allegation categories were modified in 2006-2007 and further categories were added in 2007-2008. Historical figures for 2004-2005 and 2005-2006 were re-categorised under the most appropriate modified category.

Serious Misconduct Investigations

Section 91(2)(b) of the CCC Act requires the Commission's report to include a description of the types of investigations carried out during the reporting period.

The Commission continues to investigate a diverse array of matters ranging from misconduct to serious criminal offences. During the past 12 months the Commission has completed investigations involving organised theft, bribery, corruption and the exploitation of the position of public officer. The Commission continued to be heavily committed to the investigation of public officer misconduct involving lobbyists.

The Commission, as part of its investigation management processes, utilises a case categorisation prioritisation model. This ensures that the finite resources of the investigation unit are, in the main, directed toward the highest priorities of the Commission.

Information Furnished to Independent Authorities

The Commission provides information under the CCC Act to a range of authorities in the course of its work. It is required to report upon the general nature and extent of information provided to independent authorities pursuant to section 91(2)(d). The information in most instances has either been received by the Commission from people making complaints, or has been obtained by the Commission as a result of its investigations.

- Telecommunications interception and surveillance device product, accompanied by an overview and information summary, was disclosed as 'official information' to the Western Australia Police pursuant to section 152(4)(a) of the CCC Act for the 'purposes of this Act', being 'consulting, cooperating and exchanging information' with an 'appropriate authority'. The provision of the lawfully intercepted telecommunications material and lawfully obtained surveillance devices material occurred pursuant to section 68(b)(i) of the *Telecommunications (Interception and Access) Act 1979* (Cth) and section 9(2)(a)(iii) of the *Surveillance Devices Act 1998* (WA) respectively. The information disseminated concerned 'Offering a secret commission', pursuant to section 534 of the *Criminal Code 1913*. Police advised that the matter had been fully reviewed and, based on the available material, there was insufficient evidence for a charge to be preferred against any person in relation to the alleged offence.
- A number of Commission documents were released under the provisions of section 152 of the CCC Act to assist the Department of Education and Training to conduct an internal, disciplinary investigation concerning the conduct of some departmental staff in relation to their dealings with Commission investigators. The documents included investigator's notes and investigation running sheet entries.

Prosecutions and Disciplinary Action

Section 91(2)(e) of the CCC Act requires that the Commission report the extent to which its investigations have resulted in prosecutions and in disciplinary action against public officers.¹¹

The following table includes a summary of the charges and convictions relating to the Commission's operations during the reporting period.

Activity	2004-05	2005-06	2006-07	2007-08
Number of public officers charged	5	9	6	9
Number of total persons charged	7	12	14	18
Number of charges against public officers	30	144	130	44
Number of total charges	43	147	156	62
Number of public officers convicted	0	7	5	6
Number of total persons convicted	0	10	10	9

Table 6: Charges and Convictions Summary

¹¹ Note that the preferring of charges and any resulting convictions may not necessarily occur during the same reporting period due to the time required to conclude prosecution processes in the courts. Therefore, care should be taken if attempting to analyse this information on that basis.

The following table displays the particular charges preferred against individuals during the reporting period.

Status ¹²	Count	Charges (Against Individuals)
PO	1	Unlawful operation of a computer system (<i>Criminal Code</i> s 440A)
PO	1 1 1 1 1	Corruption (<i>Criminal Code</i> s 83); Possession of a prohibited drug with intent to sell or supply (<i>Misuse of Drugs Act 1981</i>); Supplying a prohibited drug (<i>Misuse of Drugs Act 1981</i>); Use of a prohibited drug (<i>Misuse of Drugs Act 1981</i>); Possession of an implement used in connection with smoking a prohibited drug (<i>Misuse of Drugs Act 1981</i>)
PO	2	Giving false testimony (<i>CCC Act</i> s 168)
	1 4 2	Corruption (<i>Criminal Code</i> s 83); <i>Surveillance Devices Act 1998</i> offences; <i>Criminal Investigation Act 2006</i> offences
PO	3	Stealing as a servant (<i>Criminal Code</i> ss 371, 378(7))
PO	19 1 1	Stealing as a servant (<i>Criminal Code</i> s 371, 378(7)); Possess cannabis W/SS (<i>Misuse of Drugs Act 1981</i> s7(1)); Cultivate cannabis (<i>Misuse of Drugs Act 1981</i> s7(2))
PO	1	Receiving (<i>Criminal Code</i> s 414)
PO	1	Receiving (<i>Criminal Code</i> s 414)
PO	3	Bribery of public officer (<i>Criminal Code</i> s 82)
NPO	1	Unlawful operation of a computer system (<i>Criminal Code</i> s 440A)
NPO	1	Making false report (<i>CCC Act</i> s25(5A))
NPO	2	Giving false testimony (<i>CCC Act</i> s 168)
NPO	2	Giving false testimony (<i>CCC Act</i> s 168)
NPO	1 1 1	Receiving (<i>Criminal Code</i> s 414); Cultivate cannabis (<i>Misuse of Drugs Act 1981</i> s7(2)); 1 x Possess cannabis (<i>Misuse of Drugs Act 1981</i> s6(2)); Possess smoking implement (<i>Misuse of Drugs Act 1981</i> s5(1)(d)(i))
NPO	2	Receiving (<i>Criminal Code</i> s 414)
NPO	1	Bribery of public officer (<i>Criminal Code</i> s 82)
NPO	3	Bribery of public officer (<i>Criminal Code</i> s 82)
NPO	2	Bribery of public officer (<i>Criminal Code</i> s 82)
Total	62 Charges	

Table 7: Charges Against Individuals

¹² 'PO' indicates the person charged held the position of 'public officer' as defined by section 3 of the CCC Act and section 1 of *The Criminal Code*; 'NPO' indicates any other individual.

The following table displays the convictions against individuals during the reporting period which relate to the Commission's operations.

Status ¹³	Count	Conviction (Against Individuals)	Penalty
PO	3	Corruption (<i>Criminal Code</i> s 83)	Sentenced to 16 months imprisonment (on each count) suspended for two years
PO	1	Make a false report (CCC Act s 25(5))	Plead guilty, fined \$3,000
PO	1 1 1 1	Possess prohibited drug with intent to sell/supply (<i>Misuse of Drugs Act 1981</i> s 6(1)(a)); Supply a prohibited drug ((<i>Misuse of Drugs Act 1981</i> s 6(1)(c)); Use prohibited drug ((<i>Misuse of Drugs Act 1981</i> s 6(2)); Possession of a smoking implement (<i>Misuse of Drugs Act 1981</i> s 5(1)(d)(i))	Plead guilty, global fine of \$5,000
PO	3	Stealing as a servant (<i>Criminal Code</i> s 371, 378(7))	Fined \$900
PO	1	Pervert the course of justice	Sentenced to two years and four months imprisonment
PO	1	Indecently touching juvenile	Sentenced to 20 months imprisonment
NPO	3	Sign a false declaration (<i>Criminal Code</i> s 169)	Fined \$800 on each charge
NPO	2	Receiving (<i>Criminal Code</i> s 414)	Plead guilty, fined \$2,500
NPO	1	Conspiracy to pervert the course of justice	Sentenced to two years imprisonment
Total	19	Convictions	

Table 8: Convictions Against Individuals

¹³ 'PO' indicates the convicted person held the position of 'public officer' as defined by section 3 of the CCC Act and section 1 of *The Criminal Code*; 'NPO' indicates any other individual

Disciplinary Action

A number of Commission investigations have resulted in behaviour being identified which, although not criminal in nature, may well be a breach of discipline. This may include a public sector employee contravening a public sector standard or code of ethics, committing an act of misconduct, or being negligent or careless in the performance of his or her functions.

The Commission does not take a direct role in, nor determine the outcomes of, disciplinary procedures undertaken by public authorities. The Commission may make an assessment and form an opinion that misconduct has occurred, and may also make recommendations to the Chief Executive Officer of a public authority that, due to certain actions that have been identified, disciplinary action might be considered. While the Commission reserves the right to further address the issue with the agency if the action subsequently taken appears to be insufficient, this situation does not often arise.

During the reporting year disciplinary action was either taken by the following independent authorities as a result of investigations undertaken by the Commission, or was likely to have been taken but was curtailed due to the relevant public officer resigning from the public sector:

- Department of Education and Training;
- Department of Corrective Services;
- Landgate;
- Fremantle Port Authority;
- Western Australia Police;
- Department of Health;
- Department of Planning and Infrastructure;
- Department of the Premier and Cabinet; and
- Department of Fisheries.

Use of Statutory Powers

The following table details the statutory powers used by the Commission in the conduct of its misconduct function.

CCC Act and Statutory Powers¹⁴	2004-05	2005-06	2006-07	2007-08
Section 94: Power to obtain information from a public authority or officer	20	24	36	19
Section 95: Power to obtain documents and other things	216	223	156	146
Section 96: Power to summon witnesses to attend and produce things	76	61	188	86
Section 100: Power to enter and search public premises	0	1	2	0
Section 101: Search warrants	14	24	15	26
Section 103: Assumed identity approval	66	11	17	23
Section 121: Authority to conduct controlled operation	4	2	2	4
Section 123: Authority to conduct integrity testing programmes	10	3	9	5
Section 148: Arrest warrants	0	0	0	0
<i>Surveillance Devices Act 1998</i> warrants ¹⁵	8	14	20	12
<i>Telecommunications (Interception) Act 1979</i> (Cth) warrants ¹⁶	22	79	123	102
Total	436	442	568	423

Table 9: Use of Statutory Powers

Hearings

The following table contains the number of hearings and hearing days which were held as a part of Commission investigations.

	2004-05		2005-06		2006-07		2007-08	
Hearings	Matters	Days	Matters	Days	Matters	Days	Matters	Days
Public	4	14	1	0.5	5	40.5	1	45
Private	12	12	17	18.5	7	22	20	27
Total	16	26	18	19	12	62.5	21	72

Table 10: Hearings

¹⁴ Reported in accordance with section 91(2) of the *Corruption and Crime Commission Act 2003*.

¹⁵ Includes authorised extensions

¹⁶ Includes authorised renewals

FINANCIAL TARGETS: Actual performance compared to budget targets

Net Cost of Services

The net cost of services for 2007-2008 was \$27.0 million compared to \$25.5 million in 2006-2007. In 2006-2007, the net cost of services included an amount for Capital User Charge, which was abolished in 2007-2008. After adjusting for the Capital User Charge, the net cost of services for 2006-2007 was \$23.3 million and when compared to 2007-2008, net cost of services was 15.9% higher in 2007-2008. This was mainly due to the Commission's full time equivalent staffing level (FTE) reaching 'near full establishment' of 153 positions, and the impact of unbudgeted legal costs associated with the Mallard Inquiry.

The Commission's total cost of services (expense limit) for 2007-2008 was \$26.7 million against an actual cost of service for 2007-2008 totalling \$27.0 million. On a total cost of service basis, this was an overspend of \$0.3 million and related mainly to unbudgeted costs associated with the Mallard Inquiry. While the costs of the Mallard Inquiry in 2007-2008 were \$1.7 million, much of the costs have been absorbed due to prudent financial management of Commission expenses.

Financial Position

The Commission net asset position as at 30 June 2008 was \$19.7 million, as compared to the 2006-07 result of \$19.6 million. This increase is mainly from an increase in accumulated surpluses for the 2007-08 financial year.

The Commission was holding 'cash and cash equivalents' of \$3.5 million as part of its \$6.9 million cash balance at 30 June 2008 to fund its actuarial assessed 'leave liability' in respect of employees. As the Commission has no 'security of tenure' for its staff engaged on employment contracts up to five years, agreement was reached with the Department of Treasury and Finance for the Commission to hold this amount to fund the leave liabilities as they emerged.

KEY PERFORMANCE INDICATORS TARGETS: Actual performance compared to budget targets

Detailed performance information relating to the Commission's services is contained within the Key Performance Indicators section of this report.

	2007-08 Target	2007-08 Actual	Variation
Outcome: The public sector is better able to prevent misconduct Key Effectiveness Indicators: The proportion of the public sector assessed by the CCC to be well-informed about corruption risks The proportion of public sector agencies reviewed by the CCC within which misconduct prevention and management processes are evident	 65% 65%	 32% ¹⁷ 62%	 (51%) (5%)
Service: Corruption prevention and education programs, reviews and consultancy services to the public sector (prevention and education function) Key Efficiency Indicators: Average cost per person educated in the metropolitan area Average cost per person educated in the regions Average cost per major inquiry or review conducted Average cost per minor inquiry or review conducted Average cost per major education material produced Average cost per minor education material produced	 \$194 \$959 \$157,250 N/A \$51,106 \$10,007	 \$142 \$281 \$65,906 N/A \$22,510 \$4,502	 (\$52) (\$678) (\$91,344) N/A (\$28,596) (\$5,505)

¹⁷ A change to the method of measurement introduced after the estimates process produced anticipated lower, but more valuable results. The KPI now assesses a sample of all public officers whereas it formerly assessed only those who had attended Commission corruption prevention education sessions.

	2007-08 Target	2007-08 Actual	Variation
Outcome: The public sector is better able to deal with misconduct			
Key Effectiveness Indicators: Proportion of investigation reviews where investigations completed meet the appropriate standard	98%	98%	N/A
Ratio of misconduct allegations to FTEs	1:56	1:56	N/A
Ratio of substantiated misconduct allegations to total misconduct allegations	22%	23%	5%
Service: Oversight and conduct of public sector misconduct investigations (misconduct function)			
Key Efficiency Indicators: Average cost per matter assessed, monitored and reviewed	\$783	\$573	(\$210)
Average cost per matter investigated	\$56,473	\$87,041	\$30,568
Weighted average time taken per matter assessed, monitored and reviewed	20 days	78 days	58 days
Weighted average time taken per completed investigation	33 days	66 days	33 days

	2007-08 Target	2007-08 Actual	Variation
Outcome: Organised crime is combated and its incidence reduced Key Effectiveness Indicators: The proportion of applications for exceptional powers findings and fortification warning notices sought, approved and monitored The proportion of organised crime matters where the use of exceptional powers contribute to a resolution	 N/A N/A	 N/A N/A	 N/A N/A
Service: Facilitation of investigations into organised crime (organised crime function) Key Efficiency Indicators: Average cost per exceptional powers finding application considered, approved and monitored Average cost per fortification warning notice application considered and approved Average cost per organised crime examination applied for and conducted	 N/A N/A N/A	 N/A N/A N/A	 N/A N/A N/A

Table 11: Key Performance Indicator Summary

SIGNIFICANT ISSUES AND TRENDS

CURRENT AND EMERGING ISSUES AND TRENDS

The Commission continues to develop closer working relationships with public sector agencies. Operational Liaison Groups, which facilitate the exchange of information and create a forum to discuss misconduct management, are now conducted on a regular basis with Western Australia Police, the Department of Education and Training, the Department of Corrective Services and the Department of Health. A consequence has been a general improvement in collaboration and cooperation across the sector.

Economic and Social Trends

The 'economic boom' that continued in Western Australia during the reporting period sustained a highly-competitive labour market in which appropriately skilled and experienced employees remained difficult to attract and retain across all employment sectors.

The Commission is prohibited by the CCC Act from appointing officers for terms exceeding five years, although the legislation does not prevent their reappointment. As the Commission enters its fifth year of operation and many staff approach the completion of their initial contracts, there is a natural tendency for them to consider their career options. While the Commission presents an appealing and challenging work environment, it is unable to offer long-term career certainty to its officers and this places pressure on both parties as reengagement is considered. The Commission has established a 'call-up' process for all contracts as they approach their conclusion when both parties discuss their intentions in order to provide a level of short to medium-term employment clarity.

Review of the CCC Act

The review of the operation and effectiveness of the CCC Act, conducted during 2007-2008 pursuant to section 226 of this legislation, was completed and the resulting report was tabled in Parliament. While the review made a range of recommendations for legislative amendment, these are yet to be considered by Parliament.

Likely Developments and Forecast Results of Operations

The Commission continues towards the investigative conclusions to several major inquiries. These include the 'Investigation into the Matters Concerned with the Conviction and Imprisonment of Mr Andrew Mallard' and several inquiries resulting from the 'Investigation into Lobbying and Alleged Public Sector Misconduct'. The Commission is working towards the completion of these investigations and tabling the resulting reports in Parliament.

The Commission has developed a Misconduct Resistance Framework which it intends to roll-out to public agencies during the coming financial year. This will constitute a major focus of its corruption prevention education activities during the period.

Parliamentary Inspector

The Parliamentary Inspector has played a more active role in the performance of his functions during 2007-2008. The activities of the Parliamentary Inspector might be characterised in four ways:

- dealing in complaint management matters handled by the Commission, whereby the Parliamentary Inspector has audited various files and where appropriate made recommendations to the Commission concerning them;
- dealing with outcomes of the Commission's serious misconduct investigations;
- auditing various aspects of the Commission's serious misconduct investigations: this has included auditing its assumed identity and controlled operations files and reviewing its application for surveillance device warrants; and
- dealing with misconduct allegations concerning Commission officers.

In the six-month period between 1 January and 30 June 2008, the Commission's records indicate that its staff spent 1,461 hours responding to requirements related to the Parliamentary Inspector.

DISCLOSURES AND LEGAL COMPLIANCE

INDEPENDENT AUDIT OPINION



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

CORRUPTION AND CRIME COMMISSION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

I have audited the accounts, financial statements, controls and key performance indicators of the Corruption and Crime Commission.

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Commissioner's Responsibility for the Financial Statements and Key Performance Indicators

The Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Corruption and Crime Commission
Financial Statements and Key Performance Indicators for the year ended 30 June 2008

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Corruption and Crime Commission at 30 June 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Commission provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2008.



COLIN MURPHY
AUDITOR GENERAL
18 September 2008

CERTIFICATION OF FINANCIAL STATEMENTS



CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Certification of Financial Statements

The accompanying financial statements of the Corruption and Crime Commission of Western Australia have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2008 and the financial position as at 30 June 2008.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

A blue ink signature of The Hon L W Roberts-Smith, written in a cursive style.

The Hon L W Roberts-Smith RFD QC
COMMISSIONER

A black ink signature of Alan Abraham, written in a cursive style.

Alan Abraham
CHIEF FINANCE OFFICER

16 September 2008

CHIEF FINANCE OFFICER'S REPORT

Financial Overview

The Corruption and Crime Commission ends the financial year, having effectively managed its expenses, through good cash flow management, investment of capital funds in information technology to improve effectiveness of its investigations, sound recruitment practices and good accounting and financial management policies.

Equity

Equity for the period is reported at \$19.7 million, up 0.4 percent on the previous year, mainly as a result of accumulated surpluses. The owners contributed equity remains the same from the previous year.

Cash Assets on hand of \$6.9 million for the period, are mainly held to fund future capital investments to 2010-2011 and to meet the emerging actuarial assessed leave liabilities of \$3.5 million for Commission employees.

Expenses

Total operating expenditure for 2007-2008 was \$27.3 million, up 6.3 percent on the previous year and mainly reflecting the unbudgeted expenses attributed to the public hearings associated with the 'Inquiry into whether any public officer has engaged in misconduct in relation to the investigation, prosecution, appeals and subsequent imprisonment of Mr Andrew Mallard in connection with the murder of Mrs Pamela Lawrence in 1993', and from the increase in staff appointments at the Commission to its FTE limit of 153 positions.

Notwithstanding the impact of the 'Mallard Inquiry' on the financial performance of the Commission, the additional costs were in part met from savings within the Commission's budget and an amount of \$0.3 million from Government as supplementary funding.

Employee benefits expenses were \$16.0 million and accounted for 58.8 percent of the Commission's cost of services for 2007-2008. This was an increase of 15.7 percent on the previous year.

Depreciation and asset costs were \$3.9 million or 14.3 percent of expenses.

The reported operating surplus for the period was \$0.07 million.

Capital Investment

The Commission invested in \$1.7 million in assets to support its operations. The capital investment of funds has allowed the Commission to continue its program of information technology investment, crucial in maintaining the Commission's expertise and capacity at levels similar to other oversight agencies among the Australian jurisdictions.

Financial Management Act 2006

In accordance with requirements under the *Financial Management Act 2006* the Commission is at 'best practice' in financial management and continues to strengthen its financial policies and processes to ensure ongoing accountability and transparency.

A handwritten signature in black ink, appearing to read 'Alan Abraham', with a long horizontal flourish extending to the right.

Alan Abraham

CHIEF FINANCE OFFICER

FINANCIAL STATEMENTS

CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA

Income Statement

For the Year Ended 30 June 2008

	NOTE	2008 \$000	2007 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	4	16,035	13,853
Supplies and services	5	3,765	2,795
Depreciation and amortisation expense	6	3,904	3,641
Accommodation expenses	7	1,620	1,597
Capital user charge	8	-	2,217
Loss on disposal of non-current assets	10	156	-
Other expenses	9	1,772	1,538
Total Cost of Services		27,252	25,641
INCOME			
Revenue			
User charges and fees	11	23	20
Interest Revenue	12	1	2
Other revenue	13	93	21
Total Revenue		117	43
Gains			
Gain on disposal of non-current assets	10	83	86
Total Gains		83	86
Total Income other than income from State Government		200	129
NET COST OF SERVICES		27,052	25,512
INCOME FROM STATE GOVERNMENT			
Service appropriation	14 (i)	26,899	27,506
Resources received free of charge	14 (ii)	228	15
Total Income from State Government		27,127	27,521
SURPLUS FOR THE PERIOD		75	2,009

The Income Statement should be read in conjunction with the accompanying notes.

CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA**Balance Sheet**

As at 30 June 2008

	NOTE	2008 \$000	2007 \$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	15	6,847	5,898
Receivables	16	292	441
Amounts receivable for services	17	1,365	1,557
Other assets	18	198	39
Total Current Assets		8,702	7,935
NON-CURRENT ASSETS			
Amounts receivable for services	17	10,483	7,560
Restricted cash and cash equivalents	19	108	108
Property, plant and equipment	20	5,832	7,921
Intangible assets	21	271	560
Total Non-Current Assets		16,694	16,149
TOTAL ASSETS		25,396	24,084
LIABILITIES			
CURRENT LIABILITIES			
Payables	23	691	148
Provisions	24	2,733	1,907
Total Current Liabilities		3,424	2,055
NON-CURRENT LIABILITIES			
Provisions	24	2,270	2,402
Total Non-Current Liabilities		2,270	2,402
TOTAL LIABILITIES		5,694	4,457
NET ASSETS		19,702	19,627
EQUITY			
Contributed equity	25(a)	12,503	12,503
Accumulated surplus/(deficit)	25(b)	7,199	7,124
TOTAL EQUITY		19,702	19,627

The Balance Sheet should be read in conjunction with the accompanying notes.

CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA
Statement of Changes in Equity
For the Year Ended 30 June 2008

	NOTE	2008 \$000	2007 \$000
Balance of equity at start of period		19,627	17,618
CONTRIBUTED EQUITY	25(a)		
Balance at start of period		12,503	12,503
Balance at end of period		12,503	12,503
ACCUMULATED SURPLUS	25(b)		
Balance at start of period		7,124	5,115
Surplus/(deficit) for the period		75	2,009
Balance at end of period		7,199	7,124
Balance of equity at end of period		19,702	19,627
Total income and expense for the period		75	2,009

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA**Cash Flow Statement**

For the Year Ended 30 June 2008

	NOTE	2008 \$000	2007 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		22,571	23,881
Holding account drawdown		1,597	876
Net Cash provided by State Government		24,168	24,757
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Payments</i>			
Employee benefits		(14,743)	(14,019)
Supplies and services		(3,404)	(3,070)
Accommodation		(1,918)	(1,894)
Capital user charge		(-)	(2,217)
GST payments on purchases		(758)	(1,043)
Other payments		(1,707)	(1,541)
<i>Receipts</i>			
User charges and fees		23	20
Interest received		1	2
GST receipts on sales		10	-
GST receipts from taxation authority		783	1,254
Other receipts		93	21
Net Cash provided by/(used in) operating activities	26	(21,620)	(22,487)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		111	159
Purchase of non-current physical assets		(1,710)	(2,723)
Net Cash provided by/(used in) investing activities		(1,599)	(2,564)
Net increase/(decrease) in cash and cash equivalents		949	(294)
Cash and cash equivalents at the beginning of the period		6,006	6,300
Cash & cash equivalents at the end of the period	26	6,955	6,006

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

General

The Commission's financial statements for the year ended 30 June 2008 have been in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Commission has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Commission for the annual reporting period ended 30 June 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect, are disclosed in individual notes to these financial statements.

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land and buildings which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

(c) Reporting Entity

The reporting entity comprises the Commission and entities listed at note 34 'Related and Affiliated Bodies'.

(d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by Treasurer's Instruction (TI) 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfers of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA

Notes to the Financial Statements

For the Year Ended 30 June 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(e) Income

Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

(i) Sale of Goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

(ii) Service Appropriations

Service appropriations are recognised as revenues at nominal value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited into the bank account or credited to the holding account held at the Department of Treasury and Finance.

(iii) Interest

Revenue is recognised as the interest accrues.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Property, Plant and Equipment

Capitalisation/Expensing of assets

Items of property, plant and equipment and infrastructure costing \$1,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$1,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset, the cost model is used for property, plant and equipment and infrastructure. Items of property, plant and equipment and infrastructure are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation reserve relating to that asset is retained in the asset revaluation reserve.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight-line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Office establishment	10 years
Computer equipment	3 years
Operations equipment	3 - 5 years
Office equipment	3 - 5 years
Motor vehicles	3 years
Software ^(a)	3 years

(a) Software that is integral to the operation of related hardware.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(g) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing \$1,000 or more and internally generated intangible assets costing \$5,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed direct to the Income Statement.

Initial recognition and measurement

All intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Amortisation

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight-line basis using rates which are reviewed annually. All intangible assets controlled by the Commission have a finite life and zero residual value. The expected useful lives for each class of intangible asset are:

Software ^(a)	3 to 5 years
-------------------------	--------------

(a) Software that is not integral to the operation of related hardware.

Computer software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$1,000 is expensed in the year of acquisition.

Web site costs

Web site costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

(h) Impairment of Assets

Property, plant and equipment, and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Commission is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite life and intangible assets not yet available for use are tested for impairment at each balance sheet date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each balance sheet date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) Non-current Assets (or Disposal Groups) Classified as Held for Sale

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell and are presented separately from other assets in the Balance Sheet. Assets classified as held for sale are not depreciated or amortised.

(j) Leases

The Commission has entered into a number of operating lease agreements for buildings and motor vehicles where the lessors effectively retains all the risks and benefits incidental to ownership of the items held under the operating leases.

Lease payments are expensed on a straight line basis over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

(k) Financial Instruments

The Commission has two categories of financial instrument:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial Liabilities

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(l) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with maturities of six months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(m) Accrued Salaries

The accrued salaries suspense account consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(n) Amounts Receivable for Services (Holding Account)

The Commission receives funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

(o) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(p) Payables

Payables are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

(q) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance date.

(i) Provisions - Employee Benefits

Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Purchased Leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional four weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members.

The Commission has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Commission to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees commencing employment prior to the 16 April 2007 who were not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Commission makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA

Notes to the Financial Statements

For the Year Ended 30 June 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Leave Loading

Leave loading is paid to each employee for annual leave on the first payday in December of the relevant year. The amount paid relates to the period 1 January to 31 December of the relevant year, and is part of the Industrial Agreement of 13 December 2005, that was registered on 19 January 2006.

(ii) Provisions – Other

Employment On-Costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other Expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(r) Superannuation Expense

The following elements are included in calculating the superannuation expense in the Income Statement:

(a) Defined benefit plans – Change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and

(b) Defined contribution plans – Employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

Defined benefit plans – in order to reflect the true cost of services, the movements (i.e. current service costs and, actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS transfer benefits are recognised as expenses. As these liabilities are assumed by the Treasurer, revenue titled "Liabilities assumed by the Treasurer" equivalent to the expense is recognised under Income from State Government in the Income Statement.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided in the current year.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

(s) Resources Received Free of Charge or for Nominal Cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

(t) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

3. DISCLOSURE OF CHANGES IN ACCOUNTING POLICY

Initial Application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2007 that impacted on the Commission:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the Commission's risks, including enhanced disclosure regarding components of the Commission's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

Future Impact of Australian Accounting Standards not yet Operative

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Commission has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Commission but are not yet effective. Where applicable, the Commission plans to apply these Standards and Interpretations from their application date:

Title	Operative for reporting periods beginning on/after
AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Commission does not expect any financial impact when the Standard is first applied.	1 January 2009
Review of AAS 27 'Financial Reporting by Local Governments', 29 'Financial Reporting by Government Departments' and 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:	
AASB 1004 'Contributions' (December 2007).	1 July 2008
AASB 1050 'Administered Items' (December 2007).	1 July 2008
AASB 1051 'Land Under Roads' (December 2007).	1 July 2008
AASB 1052 'Disaggregated Disclosures' (December 2007).	1 July 2008
AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 and AASB 137] (December 2007).	1 July 2008
Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities (revised)' (December 2007).	1 July 2008

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 only apply to government departments. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance, otherwise, there will be no financial impact.

CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA**Notes to the Financial Statements**

For the Year Ended 30 June 2008

	2008 \$000	2007 \$000
4. EMPLOYEE BENEFITS EXPENSE		
Wages and salaries ^(a)	12,555	11,797
Superannuation	1,523	1,078
Annual leave ^(b)	1,231	938
Long service leave ^(b)	726	40
	16,035	13,853
(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.		
(b) Includes a superannuation contribution component.		
Employment on-costs such as workers compensation insurance are included at note 9 'Other Expenses'. The employment on-costs liability is included at note 24 'Provisions'.		
5. SUPPLIES AND SERVICES		
Communications	596	679
Consultants and contractors	516	268
Legal expenses	1,790	1,514
Travel	183	175
Minor plant and equipment	259	35
Other expenses	421	124
	3,765	2,795
6. DEPRECIATION AND AMORTISATION EXPENSE		
(a) Depreciation		
Office equipment	129	116
Computer equipment	286	280
Operations equipment and motor vehicles	2,293	2,066
Office establishment	845	814
	3,553	3,276
(b) Amortisation		
Software	351	365
	351	365
	3,904	3,641
7. ACCOMMODATION EXPENSES		
Lease expense	1,091	1,065
Lease incentive	(297)	(297)
Electricity and water	241	244
Building outgoings	368	387
Repairs and maintenance	34	28
Parking	113	110
Cleaning	70	60
	1,620	1,597
8. CAPITAL USER CHARGE		
Capital user charge	-	2,217
	-	2,217

The charge was a levy applied by Government for the use of its capital. The final charge was levied in 2006-07.

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For the Year Ended 30 June 2008

	2008 \$000	2007 \$000
9. OTHER EXPENSES		
Administration	168	154
Employment on-costs ^(a)	32	-
Equipment repairs and maintenance	503	328
Insurance	79	124
Motor vehicle expenses	342	310
Other employee expenses	341	385
Publications and printing	166	159
Relocation expenses	31	33
Research and development costs	10	10
Audit fees	79	35
Other	21	-
	1,772	1,538
(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 24 Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.		
10. NET GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS		
<u>Cost of Disposal of Non-Current Assets</u>		
Office equipment	39	-
Computer equipment	35	-
Operations equipment and motor vehicles	107	73
Intangible assets	3	-
<u>Proceeds from Disposal of Non-Current Assets</u>		
Operations equipment and motor vehicles	111	159
	(73)	86
11. USER CHARGES AND FEES		
Contributions to government vehicle scheme	23	20
	23	20
12. INTEREST REVENUE		
Interest revenue	1	2
	1	2
13. OTHER REVENUE		
Expense recoveries from prior years	3	3
Other revenue	90	18
	93	21
14. INCOME FROM STATE GOVERNMENT		
<i>(i) Appropriation received during the year:</i>		
Service Appropriation ^(a)	26,899	27,506
	26,899	27,506
<i>(ii) Resources received free of charge ^(b)</i>		
Resources received free of charge are determined on the basis of the following estimates provided by agencies.		
State Solicitors Office	-	12
Department of Land Administration	228	3
	228	15

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(a) Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) Where assets or services have been received free of charge or for nominal cost, the Commission recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the Commission shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

	2008 \$000	2007 \$000
15. CASH AND CASH EQUIVALENTS		
Cash at bank	6,839	5,890
Cash on hand and advances	8	8
	6,847	5,898
16. RECEIVABLES		
Current receivables	53	167
Goods and services tax receivable	239	274
	292	441
17. AMOUNTS RECEIVABLE FOR SERVICES		
Current	1,365	1,557
Non-current	10,483	7,560
	11,848	9,117
18. OTHER ASSETS		
Prepaid expenditure	198	39
	198	39
19. RESTRICTED CASH AND CASH EQUIVALENTS		
Accrued Salaries	108	108
	108	108
20. PROPERTY, PLANT AND EQUIPMENT		
Office Equipment		
At cost	467	526
Accumulated depreciation	(327)	(258)
	140	268
Computer Equipment		
At cost	1,247	1,172
Accumulated depreciation	(929)	(753)
	318	419
Operations Equipment and Motor Vehicles		
At cost	8,933	8,281
Accumulated depreciation	(6,352)	(4,393)
	2,581	3,888
Office Establishment		
At cost	5,877	5,585
Accumulated depreciation	(3,084)	(2,239)
	2,793	3,346
	5,832	7,921

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20. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the reporting period are set out below.

Net Book Values as at 30 June 2008

Non-Current Asset By Class	Opening Balance \$'000	Additions \$'000	Disposals \$'000	Depreciation \$'000	Closing Balance \$'000
Office Equipment					
- at cost	526	40	(99)	-	467
Accumulated Depreciation	(258)	(-)	60	(129)	(327)
Written Down Value	268	40	(39)	(129)	140
Computer Equipment					
- at cost	1,172	220	(145)	-	1,247
Accumulated Depreciation	(753)	(-)	110	(286)	(929)
Written Down Value	419	220	(35)	(286)	318
Operations Equipment and Motor Vehicles					
- at cost	8,281	1,093	(441)	-	8,933
Accumulated Depreciation	(4,393)	(-)	334	(2,293)	(6,352)
Written Down Value	3,888	1,093	(107)	(2,293)	2,581
Office Establishment					
- at cost	5,585	292	(-)	-	5,877
Accumulated Depreciation	(2,239)	(-)	-	(845)	(3,084)
Written Down Value	3,346	292	(-)	(845)	2,793
Total Written Down Value	7,921	1,645	(181)	(3,553)	5,832

Net Book Values as at 30 June 2007

Non-Current Asset By Class	Opening Balance \$'000	Additions \$'000	Disposals \$'000	Depreciation \$'000	Closing Balance \$'000
Office Equipment					
- at cost	381	145	(-)	-	526
Accumulated Depreciation	(142)	(-)	-	(116)	(258)
Written Down Value	239	145	(-)	(116)	268
Computer Equipment					
- at cost	1,013	159	(-)	-	1,172
Accumulated Depreciation	(473)	(-)	-	(280)	(753)
Written Down Value	540	159	(-)	(280)	419
Operations Equipment and Motor Vehicles					
- at cost	6,741	1,823	(283)	-	8,281
Accumulated Depreciation	(2,537)	(-)	210	(2,066)	(4,393)
Written Down Value	4,204	1,823	(73)	(2,066)	3,888
Office Establishment					
- at cost	5,249	336	-	-	5,585
Accumulated Depreciation	(1,425)	(-)	-	(814)	(2,239)
Written Down Value	3,824	336	-	(814)	3,346
Total Written Down Value	8,807	2,463	(73)	(3,276)	7,921

	2008 \$000	2007 \$000
21. INTANGIBLE ASSETS		
Computer Software		
At cost	1,505	1,449
Accumulated amortisation	(1,234)	(889)
	271	560
Reconciliation:		
Carrying amount at start of year	560	664
Additions	65	261
Disposals	(3)	-
Amortisation expense	(351)	(365)
Carrying amount at the end of year	271	560

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For the Year Ended 30 June 2008

	2008 \$000	2007 \$000
22. IMPAIRMENT OF ASSETS		
There were no indications of impairment to property, plant and equipment and intangible assets at 30 June 2008.		
23. PAYABLES		
Trade payables	76	126
Accrued salaries	300	2
Accrued expenditure	315	20
	691	148
24. PROVISIONS		
The settlement of annual and long service leave entitlements give rise to the payment of on-costs including superannuation. The liability for such on-costs is included here.		
(a) Current employee benefits		
Annual leave	1,047	835
Long service leave ^(a)	1,171	767
Employment on-costs ^(b)	218	8
	2,436	1,610
(b) Non-Current employee benefits		
Long service leave ^(a)	1,022	932
Employment on-costs ^(b)	85	9
	1,107	941
(a) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of reporting date	949	230
More than 12 months after reporting date	1,244	1,469
	2,193	1,699
(b) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expenses are included in note 4 'Employee benefits expense' and note 9 'Other expenses'.		
<u>Movement in Other Provisions</u>		
Movements in each class of provisions during the financial year, other than employee benefits, are set out below.		
<u>Employment on-cost provision</u>		
Carrying amount at start of year	17	15
Additional provisions recognised	286	2
Carrying amount at the end of year	303	17
(c) Other Provisions		
Lease Incentive Liability		
Current	297	297
Non-current	1,163	1,461
	1,460	1,758

CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA

Notes to the Financial Statements

For the Year Ended 30 June 2008

	2008 \$000	2007 \$000
25. EQUITY		
Equity represents the residual interest in the net assets of the Commission. The Government holds the equity interest in the Commission on behalf of the community.		
(a) Contributed Equity		
Opening Balance	12,503	12,503
Closing Balance	12,503	12,503
(b) Accumulated Surplus/(Deficit)		
Opening Balance	7,124	5,115
Surplus/(deficit) for the period	75	2,009
Closing Balance	7,199	7,124
26. NOTES TO THE CASH FLOW STATEMENT		
Reconciliation of Cash		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	6,847	5,898
Restricted cash and cash equivalents	108	108
	6,955	6,006
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net Cost of Service	(27,052)	(25,512)
<i>Plus/(minus) non-cash items:</i>		
Depreciation and amortisation expense	3,904	3,641
Gain/(loss) from sale of non-current assets	73	(86)
Resources received free of charge	228	15
	4,205	3,570
(Increase)/Decrease in assets:		
Receivables and other assets ^(c)	-	129
Increase/(Decrease) in liabilities:		
Payables and other liabilities ^(c)	498	(797)
Provisions	694	(88)
Net GST receipts/(payments) ^(a)	783	1,123
Change in GST in receivables/payables ^(b)	(748)	(912)
	1,227	(545)
Net cash used in Operating Activities	(21,620)	(22,487)

a) This is the net GST paid/received, ie. Cash transactions

b) This reverses out the GST in receivables and payables

c) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA**Notes to the Financial Statements**

For the Year Ended 30 June 2008

	2008 \$000	2007 \$000
27. COMMITMENTS		
(a) Lease Commitments		
At the reporting date, the Commission had the following obligations, not recognised as liabilities, under non-cancellable operating leases:		
Motor vehicles	148	170
Office accommodation	5,002	6,085
	5,150	6,255
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, are payable as follows:		
Within one year	1,193	1,177
Later than one year and no later than five years	3,957	4,184
Later than five years	-	894
	5,150	6,255
(b) Capital Expenditure Commitments		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements are due and payable.		
Leasehold improvements	21	-
Plant and equipment	18	-
	39	-
Commitments in relation to capital expenditure at the reporting date but not recognised as liabilities, are payable as follows:		
Within one year	39	-
Later than one year and no later than five years	-	-
	39	-

28. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**(a) Contingent Liabilities**

The Commission has no contingent liabilities.

Contaminated Sites

Under the Contaminated Sites Act 2003, the Commission is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated - remediation required or possibly contaminated - investigation required, the Commission may have a liability in respect of investigation or remediation expenses. The Commission has no known or suspected contaminated sites.

(b) Contingent Assets

The Commission has no contingent assets.

29. EVENTS OCCURRING AFTER BALANCE DATE

The Commission is not aware of any event or events occurring after the balance sheet date, which would materially, effect the operating results as disclosed in the financial statements during the current or future reporting periods.

30. EXPLANATORY STATEMENT

(a) Significant variances between actual results for 2007 and 2008

Details and reasons for significant variations between the total actual results with the corresponding results of the preceding year are detailed below. Significant variations are considered to be those greater than 10% and \$50,000.

ACTUAL COMPARISON	2008 Actual \$'000	2007 Actual \$'000	Variance \$'000	Variance %
Expenses				
Employee benefits expense	16,035	13,853	2,182	15.75
Supplies and services	3,765	2,795	970	34.70
Other expenses	1,772	1,538	234	15.21
Income				
Other revenue	93	21	72	342.86
Income from State Government				
Resources received free of charge	228	15	213	1,420.00

Expenses

The variation in employee benefits expense reflects increased wage expenses from the movement to full establishment levels, higher superannuation expenses, increased leave provisions, flow on of wage increases and allowances and other payments in 2007-08.

The variation in supplies and services reflects higher payments for supplies and services mainly in respect of Acting Commissioner expenses, consultants and contractor payments, other legal costs, security vetting and equipment expenses, and minor plant and equipment expenses.

The variation in other expenses reflects increases in administration costs, equipment and repairs, motor vehicle expenses, printing and publications and auditing and taxation costs in 2007-08.

Income

The variation in other revenue reflects increases from miscellaneous revenues that include a refund of prior years land tax refunded.

Income from State Government

The variation in resources received free of charge reflects increased data charges received free of charge from the Department of Land Administration.

(b) Significant variances between estimated and actual result for the 2008

Details and reasons for significant variations between the total actual results with the annual estimates are detailed below. Significant variations are considered to be those greater than 10% and \$50,000.

ACTUAL V ESTIMATES	2008 Actual \$'000	2008 Estimates \$'000	Variance \$'000	Variance %
Expenses				
Depreciation and amortisation expense	3,904	4,452	(548)	(12.31)
Accommodation expense	1,620	2,235	(615)	(27.52)
Other expenses	1,772	230	1,542	670.43
Income				
Other revenue	93	20	73	365.00

Expenses

The variation in depreciation and amortisation expense reflects charges based on the actual program for the year and timing of the acquisition of capital purchases.

The variation in accommodation expense reflects the amount of lease incentive payment offset together with lower outgoing expenses. The budget estimate reflects the total accommodation expense excluding lease incentive and an annual estimate for outgoings.

The variation in other expenses reflects mainly the classification of items between the budget papers and the annual report. Expenses in the annual report are classified differently to the budget papers.

Income

The variation in other revenue reflects increases from miscellaneous revenues that include a refund of prior years land tax refunded.

CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA

Notes to the Financial Statements

For the Year Ended 30 June 2008

31. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Commission are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission. The Commission measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 31(c).

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Provision for impairment of financial assets is calculated based on past experience, and current and expected changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 16 'Receivables'.

Liquidity risk

The Commission is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due.

The Commission has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

The Commission does not trade in foreign currency and is not materially exposed to other price risks. Other than as detailed in the Interest rate sensitivity analysis table at Note 31(c), the Commission is not exposed to interest rate risk because apart from minor amounts of restricted cash, all other cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings.

(b) Categories of Financial Instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2008 \$000	2007 \$000
Financial Assets		
Cash and cash equivalents	6,847	5,898
Restricted cash and cash equivalents	108	108
Receivables ^(a)	11,901	9,284
Financial Liabilities		
Payables	691	148

(a) The amount of receivables excludes GST recoverable from ATO (statutory receivable).

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31. FINANCIAL INSTRUMENTS (cont.)

(c) Financial Instrument disclosures

Credit risk, Liquidity Risk and Interest Rate Risk Exposures

The following table details the exposure to liquidity risk and interest rate risk as at the balance sheet date. The Commission's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the Commission. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date. An adjustment for discounting has been made where material.

The Commission does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Commission does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

As at 30 June 2008	Weighted average effective interest rate %	Variable interest rate \$'000	Contractual Maturity Dates			Non interest bearing \$'000	Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000		

FINANCIAL ASSETS

Cash and Cash	-	-	-	-	-	6,847	6,847
Equivalents	-	-	-	-	-	108	108
Restricted Cash	-	-	-	-	-	-	-
Cash deposits	-	-	-	-	-	53	53
Receivables ^(a)	-	-	-	-	-	-	-
Amount Receivable for Services	-	-	-	-	-	11,848	11,848
Total financial assets	-	-	-	-	-	18,856	18,856

FINANCIAL LIABILITIES

Payables	-	-	-	-	-	691	691
Total financial liabilities	-	-	-	-	-	691	691

As at 30 June 2007	Weighted average effective interest rate %	Variable interest rate \$'000	Contractual Maturity Dates			Non interest bearing \$'000	Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000		

FINANCIAL ASSETS

Cash and Cash	-	-	-	-	-	5,868	5,868
Equivalents	-	-	-	-	-	108	108
Restricted Cash	-	-	-	-	-	-	-
Cash deposits	5.45	30	-	-	-	-	30
Receivables ^(a)	-	-	-	-	-	167	167
Amount Receivable for Services	-	-	-	-	-	9,117	9,117
Total financial assets	-	30	-	-	-	15,260	15,290

FINANCIAL LIABILITIES

Payables	-	-	-	-	-	148	148
Total financial liabilities	-	-	-	-	-	148	148

(a) The amount of receivables excludes GST recoverable from ATO (statutory receivable).

CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA
Notes to the Financial Statements
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31. FINANCIAL INSTRUMENTS (cont.)

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Commission's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

2008	Carrying	-1% change		+1% change	
	Amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
		-	-	-	-
2007	Carrying	-1% change		+1% change	
	Amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
FINANCIAL ASSETS					
Cash deposits	30	(0.3)	(0.3)	0.3	0.3
		(0.3)	(0.3)	0.3	0.3

32. REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

(a) Remuneration of Members of the Accountable Authority

The numbers of members of the Accountable Authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

				2008 \$000	2007 \$000
\$	\$	30/06/08	30/06/07		
20,001 -	30,000	-	1		
160,001 -	170,000	-	1		
310,001 -	320,000	-	1		
330,001 -	340,000	1	-		
360,001 -	370,000	1	-		
		2	3		
Total Remuneration for Members of the Accountable Authority				666	489

The total remuneration includes the superannuation expense incurred by the Commission in respect of members of the Accountable Authority.

No members of the Commission are members of the Pension Scheme.

(b) Remuneration of Senior Officers

The number of Senior Officers other than members of the Accountable Authority whose total of fees, salaries, superannuation and other benefits received or due and receivable for the period falls within the following bands:

\$	\$	30/06/08	30/06/07		
50,001 -	60,000	1	-		
60,001 -	70,000	-	1		
110,001 -	120,000	1	2		
120,001 -	130,000	1	1		
130,001 -	140,000	-	3		
140,001 -	150,000	4	1		
150,001 -	160,000	2	1		
160,001 -	170,000	-	1		
170,001 -	180,000	1	1		
220,001 -	230,000	-	1		
240,001 -	250,000	1	-		
		11	12		
Total Remuneration of Senior Officers				1,562	1,616

The total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers other than senior officers reported as members of the Accountable Authority.

No senior officers are members of the Pension Scheme.

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For the Year Ended 30 June 2008

	2008 \$000	2007 \$000
33. REMUNERATION OF AUDITOR		
Remuneration payable to the Office of the Auditor General for the financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	33	31
	33	31

34. RELATED AND AFFILIATED BODIES

a) Related Bodies

The Commission has no related bodies at the reporting date.

b) Affiliated Bodies

The Commission has no affiliated bodies at the reporting date.

35. SUPPLEMENTARY FINANCIAL INFORMATION

Write-Offs

Public property written-off	21	-
	21	-

36. SCHEDULE OF INCOME AND EXPENSES BY SERVICE

Service 1

Corruption Prevention and Education Programs, Reviews and Consultancy Services to the Public Sector.

Service 2

Oversight and Conduct of Public Sector Misconduct Investigations.

COST OF SERVICES	As at 30 June 2008			As at 30 June 2007		
	Service 1 \$'000	Service 2 \$'000	Total \$'000	Service 1 \$'000	Service 2 \$'000	Total \$'000
Expenses						
Employee benefits expense	1,668	14,367	16,035	1,441	12,412	13,853
Supplies and services	392	3,373	3,765	291	2,504	2,795
Depreciation and amortisation expense	406	3,498	3,904	379	3,262	3,641
Accommodation expense	168	1,452	1,620	166	1,431	1,597
Capital user charge	-	-	-	231	1,986	2,217
Loss on disposal of non-current assets	-	156	156	-	-	-
Other expenses	338	1,434	1,772	160	1,378	1,538
Total Cost of Services	2,972	24,280	27,252	2,668	22,973	25,641
Income						
User charges and fees	2	21	23	2	18	20
Interest revenue	-	1	1	-	2	2
Gain on disposal of non-current assets	-	83	83	-	86	86
Other revenue	-	93	93	-	21	21
Total Income other than income from State Government	2	198	200	2	127	129
NET COST OF SERVICES	2,970	24,082	27,052	2,666	22,846	25,512
Income from State Government						
Services Appropriation & Contributions	2,973	23,926	26,899	2,861	24,645	27,506
Resources received free of charge	-	228	228	-	15	15
Total Income from State Government	2,973	24,154	27,127	2,861	24,660	27,521
Surplus for the period	3	72	75	195	1,814	2,009

CERTIFICATION OF KEY PERFORMANCE INDICATORS



CORRUPTION AND CRIME COMMISSION OF WESTERN AUSTRALIA

CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Corruption and Crime Commission's performance, and fairly represent the performance of the Commission for the financial year ended 30 June 2008.

A handwritten signature in blue ink, reading "L W Roberts-Smith".

The Hon L W Roberts-Smith RFD QC
COMMISSIONER

15 September 2008

KEY PERFORMANCE INDICATORS

Treasurer's Instruction 904 requires that agencies disclose performance information in their annual reports, including Key Performance Indicators (KPIs) of effectiveness and efficiency and the relationship between Government Goals, Agency Level Government Desired Outcomes and the agency's services. This assists all stakeholders, including Parliament, the community and the agency itself, to assess the performance and value of the services delivered in the pursuit of government outcomes. KPIs must be relevant, appropriate, fairly represent the indicated performance and require certification by the Office of the Auditor General in accordance with Treasurer's Instruction 905.

The Commission's Agency Level Government Desired Outcomes and KPIs were initially developed in accordance with *Better Planning, Better Services: A Strategic Planning Framework for the Western Australia Public Sector* in consultation with stakeholders including the Department of Treasury and Finance and the Office of the Auditor General and were endorsed by the Outcome Structure Review Group. Following the release of *Better Planning: Better Futures, A Framework for the Strategic Management of the Western Australia Public Sector* by the Department of the Premier and Cabinet in September 2006, the Commission ensured that its structures remained aligned with the document's revised Goals and Strategic Outcomes. The 2007-2008 reporting period is the third for which the Commission has reported against its Outcome Based Management structures.

While serving to indicate the Commission's level of efficiency and effectiveness in the delivery of its services, the KPIs are also valuable in assessing the level of the incidence of misconduct within the public sector, as well as the public sector's knowledge of how to prevent its occurrence. The KPIs addressing the Commission's facilitation and oversight of the Western Australia Police's use of exceptional and enhanced powers in its organised crime investigations also assist in the assessment of the effectiveness of the State's legislation specifically intended to combat and reduce organised crime.

The 'Review of the *Corruption and Crime Commission Act 2003*', tabled during the reporting year, has made several recommendations which, if implemented by the Parliament, will require the adjustment of the Commission's KPIs. Notwithstanding any such legislative amendment, the Commission intends to review its KPIs for reporting in 2008-2009 with the view of refining them based upon the experience acquired over the first five years of its operation.

SERVICES

The Commission's services are prescribed by the CCC Act as functions of the Commission. These three services directly relate to the Commission's Agency Level Government Desired Outcomes, which in turn are clearly linked to the Strategic Outcomes of the Goals for Government in the Outcome Based Management Strategic Planning Framework. The services and the functions with which they are aligned are:

- Service One: the corruption prevention function.
- Service Two: the misconduct function.
- Service Three: the organised crime function.

MEASURING OUR PERFORMANCE

The Commission measures its performance through a combination of the application of internal statistical data and the analysis of an independent, external customer survey. The relevant statistical data have been extracted from internal management systems and complement the use of objective, independent survey data.

The Commission maintains a Case Management and Intelligence System which hosts the data in relation to its complaint and investigation-related activities (Service Two).

OUTCOME BASED MANAGEMENT

The Commission's three services are each subordinate to an Agency Level Government Desired Outcome. They relate upwardly within the Outcome Based Management framework through two Strategic Outcomes to two Government Goals at the top of the hierarchy. The following section displays the relationships between the component Outcome Based Management elements within the strategic framework.

Goal: Governance and Public Sector Improvement

- *'Developing and maintaining a skilled, diverse and ethical public sector serving the Government with consideration of the public interest'*

Strategic Outcome:

- *'Independent oversight that contributes to a more accountable public sector'*

Agency Level Government Desired Outcome:

- The public sector is better able to prevent misconduct

Service One:

- Corruption prevention and education programs, reviews and consultancy services to the public sector (prevention and education function)

Agency Level Government Desired Outcome:

- The public sector is better able to deal with misconduct

Service Two:

- Oversight and conduct of public sector misconduct investigations (misconduct function)

Goal: Better Services

- *'Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services'*

Strategic Outcome:

- *'A safe community'*

Agency Level Government Desired Outcome:

- Organised crime is combated and its incidence reduced

Service Three:

- Facilitation of investigations into organised crime (organised crime function)

EFFECTIVENESS INDICATORS

The extent to which outcomes are achieved through the delivery of services is measured through effectiveness indicators. The Commission has six effectiveness indicators, two for each of its services.

Service One: Corruption prevention and education programs, reviews and consultancy services to the public sector (prevention and education function)

Outcome: The public sector is better able to prevent misconduct

This agency level outcome is derived from section 17(1) of the CCC Act, which states that '[t]he Commission has a function (the "prevention and education function") of helping to prevent misconduct'. It consequently constitutes a core element of the Commission's business to which the Corruption Prevention Education and Research Directorate is dedicated.

Since its establishment in 2004, the Commission has continued its work in cooperation with public authorities to increase the effectiveness of all parties' responses to the public sector's corruption risks and to strengthen corruption resilience. The Commission achieves this through a range of activities including delivering presentations, conducting workshops and consulting with agencies on corruption prevention issues, undertaking inquiries and reviews on corruption related matters, and producing and distributing corruption prevention educational materials and publishing its reports.

Service One Effectiveness Indicators

The proportion of the public sector assessed by the CCC to be well-informed about corruption risks

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
The proportion of the public sector assessed by the CCC to be well-informed about corruption risks	97%	99% ¹⁸	65%	32% ¹⁹

The method of measurement for this survey-based KPI has progressively matured over the three years since its implementation. In 2005-2006, the first occasion on which this KPI was applied, it was measured through the analysis of attendee feedback forms completed by public officers at the conclusion of corruption prevention education seminars conducted by the Commission.

¹⁸ The method of measurement for this KPI was adjusted during 2007, in consultation with the Office of the Auditor General, with the Commission's intention being to increase its value as an indicator. Refer to text.

¹⁹ The method of measurement was again refined during 2008 to producing anticipated lower, but more valuable results.

In 2007, after seeking advice from the Office of the Auditor General, the method of measurement was altered to take the form of an independent telephone survey of a representative, random sample of public officers who had attended corruption prevention education seminars conducted by Commission staff earlier in the financial year. While the KPI itself remained unaltered, the modified measurement approach was identified as an improvement as it allowed public officers to consider whether they had retained the imparted knowledge after the passage of a period of time. This also provided the public officers with the opportunity to have practically applied that knowledge in their workplaces.

While the earlier measurement iterations limited the range of respondents to public officers who had attended Commission corruption prevention education seminars, a new approach was introduced for 2007-2008. This method of measurement involves an on-line survey of a representative sample of all public officers, regardless of any contact they may have had with the Commission. In this manner the results more accurately reflect the intention of the KPI of assessing the knowledge of corruption risks across the public sector.

Analysis

The amended measurement process this year saw the KPI tested through an awareness and attitudinal survey of public officers working in departments, agencies, universities, local government authorities, boards and statutory authorities across Western Australia. It was conducted through an independent on-line survey that was forwarded to agencies for circulation among their staff. This potentially makes the survey available to the Commission's entire jurisdiction (assumed to be over 100,000 for survey purposes). Completed surveys were submitted by 2,157 respondents ensuring reliability within a possible sampling error of +/- 2.13 percent at the 95 percent confidence level.

The independent, external consultants found that 32.5 percent of respondents identified themselves to be either 'well informed' (24.1%) or 'very well informed' (8.4%) about misconduct risks within their agency.

The amended survey predictably returned significantly lower results than in previous years (99% in 2006-2007 and 96% in 2005-2006). This is a result of the survey targeting a different classification of sample respondents, of whom only 32.1 percent had attended any training on misconduct prevention. The Commission is satisfied that this new approach provides a more accurate representation of the public sector's knowledge of the corruption risks affecting individual agencies.

The discrepancy between the target and actual figures is explained by the fact that the modified system was not in place prior to the 2007-2008 budget estimates processes. However its value as a measure results from its consideration of all public officers, not just those who had received corruption prevention education.

The proportion of public sector agencies reviewed by the CCC within which misconduct prevention and management processes are evident

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
The proportion of public sector agencies reviewed by the CCC within which misconduct prevention and management processes are evident	N/A ²⁰	62%	65%	62%

This KPI is measured through the review of the information which public sector agencies are required to publish in their annual reports concerning the measures they have undertaken to prevent corruption and misconduct. As a result of observations made by the Kennedy Royal Commission,²¹ Premier's Circular 2005/02, issued in March 2005, requires that agencies include in their annual reports the measures they are undertaking to reduce their risk of corruption and misconduct. This effectiveness indicator is measured through the review and analysis of that information by officers of the Commission's Corruption Prevention Education and Research Directorate.

The review involves the analysis, during the reporting period, of the corruption prevention sections of agencies' most recent annual reports (2006-2007). While this measure constitutes a lag indicator, due to the requirement to wait for the publication of annual reports for up to three months into the following financial year, it represents an opportunity for the Commission to extract value from this information.

Analysis

The 2007-08 reporting period is the second in which the Commission has assessed the nature and extent of activities reported by public authorities as being undertaken to prevent and manage corruption. Having conducted the review over a two year period the Commission has concluded that, while there is benefit in reviewing the information, the limitations associated with the approach invalidate its reliability as a general measure of public sector performance in preventing and managing corruption. Annual reports do not, as a general rule, contain the level of detail needed for the Commission to make accurate assessments about agencies' corruption prevention activities, and the information published may not accurately reflect the actual situation. The Commission intends to develop an alternative approach to assessing public sector agency performance and processes in preventing and managing misconduct (corruption).

With this qualification, the current review does provide some useful insights into how public authorities are reporting that they manage misconduct.

²⁰ This indicator was not used in 2006 as agencies required time to respond to Premier's Circular 2005/02 in regard to their corruption prevention plans.

²¹ Kennedy, The Hon G.A., 2004, Royal Commission Into Whether There Has Been Corrupt or Criminal Conduct by any Western Australian Police Officer, Final Report, Vol 2, pp. 104-105.

For the 2007-2008 annual reporting period the Commission reviewed the most recently published annual reports (generally the 2006-2007 financial year) of a representative sample²² of 45 agencies against a standard set of questions developed and used for the first review. Twelve of the sample agencies had also been reviewed in the previous reporting period, which enabled a comparative assessment over time.

Results from the analysis showed that most agencies in the sample reported that they had:

- developed a formal strategy for corruption prevention (62%);
- identified their corruption risks (76%); and
- implemented specific risk management activities and initiatives for their employees designed to reduce the risk of corruption and misconduct (62%).

Despite these overall results, the sample group for 2006-2007 did not perform as well against the review questions as the previous sample group for 2005-2006.

It was difficult to draw any firm conclusions from the comparative analysis of the 12 agencies reviewed over a two year period due to inconsistencies in reporting from one year to the next. For the majority of the agencies there was little change reported. Of note was an improvement in the number of agencies reporting that they had integrated their misconduct and prevention plans into an existing management system, with only one agency not reporting that they had met this requirement in either of the reporting periods. There was an apparent increase in the number of strategies agencies reported using to communicate internal notification processes to staff.

The Commission continues to engage with public sector agencies to assist them to develop their misconduct prevention and management mechanisms.

²² Sample included State Government departments, statutory authorities, such as development commissions, ports and regulatory boards, and education institutions. The sample agencies also ranged in size from those with staff numbering less than 100 to those with over 1,000 employees.

Service Two: Oversight and conduct of public sector misconduct investigations (misconduct function)

Outcome: *The public sector is better able to deal with misconduct*

This agency level outcome is derived from section 18(1) of the CCC Act, which states that *'[i]t is a function of the Commission (the "misconduct function") to ensure that an allegation about, or information or matter involving, misconduct is dealt with in an appropriate way'*. Due to the nature of this outcome, its associated service is allocated the largest proportion of the Commission's staff and resources.

The Commission has continued to develop its relationships with the areas responsible for complaint handling within many agencies across the jurisdiction. The Commission's misconduct allegation oversight activities, involving the assessment of complaints and the monitoring and review of agencies' internal misconduct investigations (known as Appropriate Authority Investigations), result in feedback to the agencies on the standard of their investigations. This contributes significantly to the sector's capacity to deal with misconduct effectively.

This interaction, in combination with the Commission's provision of corruption prevention education services, affects the number of complaints received from individual agencies and the entire public sector. This also provides the Commission and stakeholders with a picture of the level of public officer misconduct that is occurring and agencies' abilities to adequately deal with misconduct allegations appropriately.

Service Two Effectiveness Indicators

Proportion of investigation reviews where investigations completed meet the appropriate standard

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
Proportion of investigation ²³ reviews where investigations completed meet the appropriate standard	98%	99%	98%	98%

This effectiveness indicator is measured through the process of the Commission's review of misconduct investigations undertaken by appropriate authorities (Appropriate Authority Investigations). This is a core and significant activity. While there may be minor deficiencies in agencies' analyses and/or presentation of their Appropriate Authority Investigations submitted to the Commission, the Commission's major focus is on ensuring that Appropriate Authority Investigations are completed to the 'appropriate standard'. This means that they present findings and recommendations that are relevant and appropriate, and that the investigation is

²³ In this context an 'investigation' is an Appropriate Authority Investigation into allegations of misconduct which is reviewed by the Commission to ensure the appropriateness of the investigation methodologies and of its findings.

conducted using the Australian Complaint Handling Standard (AS 4269-1995) as a guide. Those Appropriate Authority Investigations that fail to meet the standard are generally returned to the relevant agency, along with appropriate advice, for resubmission.

Analysis

The quality of Appropriate Authority Investigations remained relatively consistent across the sector during 2007-2008 with 98 percent of agencies' investigations meeting the required standard. This result is also consistent with the target and previous year's results.

It is important to note that this measure does not identify the proportion of investigations completed to a high standard; rather it demonstrates those which have been undertaken following appropriate investigative processes in reaching their conclusions. The Commission continues to liaise with agencies with the objective of improving the quality of Appropriate Authority Investigations.

Ratio of misconduct allegations to FTEs

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
Ratio of misconduct allegations to FTEs	1:53	1:60	1:56	1:56

The second effectiveness indicator measures the allegations received by the Commission in relation to the total number of public sector FTE positions (full-time equivalent employees). It provides a snapshot of misconduct allegations across the wider public sector. The Commission's current jurisdiction is close to 129,000 public officers. This figure includes public sector officers, university staff and local government elected officers and employees.

This measure is a product of the Commission's analysis of misconduct allegations across the public sector. For its strategic purposes, the Commission divides its jurisdiction into agency sector groupings. The ratio of misconduct allegations received relating to specific agency sectors is calculated by dividing the number of agency sector FTE positions by the number of allegations received, resulting in a number of employees per allegation. This ratio may assist in the identification of high or low incidences of reported alleged misconduct and potential misconduct trends within particular agency sectors.

The analysis of movement in the results of this effectiveness indicator is complex. The performance of the Commission's prevention and education function may lead to an increase in allegations, as the public sector and community's awareness of what constitutes misconduct, and how it should be reported, increases. Through the same process, potential complainants may become aware that their allegations fall outside of the Commission's jurisdiction and subsequently report them to another authority or not at all. Concurrently, the Commission's prevention and education activities, combined with the deterrent effect of prosecutions on charges resulting from Commission investigations and the wide exposure that may result from the conduct of public hearings and tabling of reports in Parliament, may contribute to a reduction in the actual incidence of misconduct and subsequently decrease the number of allegations.

While the Commission has reason to believe that there may currently be under-reporting of public officer misconduct in particular sectors, the ideal long-term outcome is the receipt of fewer complaints due to a lower incidence of actual misconduct.

Analysis

The result for this KPI in 2007-2008 (1:56) was consistent with the anticipated target and sat at an average between the two previous years results of 1:53 and 1:60. This translates to the Commission having received one complaint for every 56 public officers.

The 2,308 assessments of complaints and notifications made by the Commission during 2007-2008 represented an increase of seven percent over the 2,150 reported

for the previous year (2006-2007). This followed-on from decreases of nine percent (from 2,361 in 2005-2006) and two percent (from 2,410 in 2004-2005) in the Commission's first two years of operation. These results show that the level of complaints has remained relatively stable since the initial peak which was attributed to a backlog of matters that was inherited from the Anti-Corruption Commission and Kennedy Royal Commission, and an 'awareness spike' in the receipt of complaints at the Commission's inception.

The other element of this KPI is the number of public officers within the Commission's jurisdiction. This figure remained relatively stable and is currently estimated as approximately 129,000 FTEs (full time equivalent positions) for these purposes.

Ratio of substantiated misconduct allegations to total misconduct allegations

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
Ratio of substantiated misconduct allegations to total misconduct allegations	22% ²⁴	25%	22%	23%

The ratio of substantiated misconduct allegations to total misconduct allegations KPI assists the work of the Commission in several ways. First, it identifies the actual incidence of reported misconduct that has been committed by public officers. Second, it assists the Commission in the assessment of agencies' misconduct reporting standards and of complainants' comprehension of what constitutes misconduct. An increasing proportion of substantiated allegations may indicate that both agencies and complainants have a maturing knowledge of what matters are appropriate to report and are within the Commission's jurisdiction. Finally, the Commission uses this KPI as an internal strategic measure to provide an insight into the incidence of actual misconduct within the various agency sectors and their relative proportions within the wider public sector.

Analysis

In the reporting period to 30 June 2008, 23 percent of misconduct allegations that were the subject of investigation were sustained. This figure, constituting the known incidences of reported public officer misconduct for which Appropriate Authority Investigations were completed during the year, represents a two percent decrease over the 25 percent substantiation rate for the 2005-2006 period. This result remains consistently within the range established during the Commission's first four years of operation.

However, while the ratio remained relatively consistent at a two percent reduction, the actual number of substantiated allegations finalised during this reporting period (540) increased by 18 percent over the 456 recorded for 2006-2007. While there was an increase in the number of allegations received, the actual occurrence of substantiated public officer misconduct, within reported matters, also increased by 18 percent.

This figure does not definitively describe the level of actual misconduct in the public sector as it is reliant upon the reporting of alleged misconduct by agencies and the community.

²⁴ This figure (22 percent) was previously reported as a ratio of 1:4.5.

Service Three: *Facilitation of investigations into organised crime (organised crime function)*

Outcome: *Organised crime is combated and its incidence reduced*

This agency level outcome is derived from the first of the Commission's two purposes under the CCC Act, '*to combat and reduce the incidence of organised crime*' (section 7A(a)). Service Three, the mechanism by which the Commission is able to pursue the achievement of this outcome, takes the form of its 'organised crime functions' (section 21). The Commission's functions include its ability to authorise and oversee the Western Australia Police's access to investigative powers not ordinarily available to it for application in particular organised crime investigations.

The Commission's delivery of its Service Three may only be initiated by application from the Commissioner of Police. Therefore, Commission resources will only be allocated to Service Three in response to any such applications.

Service Three Effectiveness Indicators

The proportion of applications for exceptional powers findings and fortification warning notices sought, approved and monitored

The proportion of organised crime matters where the use of exceptional powers contribute to a resolution

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
The proportion of applications for exceptional powers findings and fortification warning notices sought, approved and monitored	N/A	N/A	N/A	N/A
The proportion of organised crime matters where the use of exceptional powers contribute to a resolution	N/A	N/A	N/A	N/A

Analysis

The KPIs for this outcome and Service Three (*facilitation of investigations into organised crime*) have been reported as N/A (not applicable) for the financial year because there were no applications to access exceptional powers findings or fortification warning notices received from the Commissioner of Police.

The Commissioner of Police can only exercise exceptional powers to facilitate the investigation of organised crime once the Commission has made an exceptional powers finding.²⁵

²⁵ Refer section 46 of the *Corruption and Crime Commission Act 2003*

Operational difficulties in the practical application of the legislation have discouraged such applications, however, the *Review of the Corruption and Crime Commission Act 2003*, tabled during the reporting period, made several recommendations which, if legislated, will increase the Commission's role in contributing to serious and organised crime investigations and address these issues.

EFFICIENCY INDICATORS

Service One: Corruption prevention and education programs, reviews and consultancy services to the public sector (prevention and education function)

The Commission's Service One involves its 'prevention and education function'.²⁶ In order to apply the KPIs related to this service, the costs associated with the conduct of corruption prevention activities are divided across three component areas on the basis of the efforts undertaken towards the conduct of each of these activities during the reporting period. The three areas are:

- Education: involving the provision of corruption prevention education seminars, workshops and consultancy services to public sector agencies and the community.
- Inquiries and Reviews: involving the conduct of inquiries, reviews and research around corruption prevention themes and misconduct management mechanisms.
- Materials: involving the production of brochures, DVDs and other items for corruption prevention educational purposes.

The costs within each of these three core activity areas are then allocated in accordance with the work undertaken in those areas on the basis of the actual services delivered or materials developed.

Service One Efficiency Indicators

Average cost per person educated in the metropolitan area/regions

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
Average cost per person educated in the metropolitan area	\$115	\$122	\$194	\$142
Average cost per person educated in the regions	\$642	\$584	\$959	\$281

These two efficiency indicators measure the costs associated with the activities classed as 'education' for performance measurement purposes. This area constitutes a major component of the corruption prevention and education services that the Commission delivers to the public sector and the community. The total number of persons educated is determined as the participants attending Commission seminars and consulting with Commission staff on individual corruption prevention issues.

²⁶ Refer section 17 of the *Corruption and Crime Commission Act 2003*

The average cost to educate a person in the Perth metropolitan area, where the Commission's offices are located, is naturally lower than the average cost of educating a person in the State's regions. The travel and accommodation expenses associated with the delivery of corruption prevention presentations, seminars and workshops to audiences in regional locations largely account for this difference. While an increased use of technology, involving alternative media as an educative tool, may produce efficiencies, particularly in regard to the regions, the Commission's commitment to providing access to its services across the State will continue to involve programmed face-to-face educational sessions.

Analysis

The Commission's Service One prevention and education function's main focus shifted from *education* in 2006-2007 to *inquiries and reviews* during 2007-2008. The Commission's wind-down of its Conflicts of Interest Workshop program in the second half of 2007 saw a planned decline in the number of presentations delivered as agencies were encouraged to incorporate the workshop into their own internal training programs. During 2007-2008 the Commission educated 2,727 persons through the delivery of 70 corruption prevention presentations and seminars and 144 consultations. This was a reduction of around 51 percent of workshop attendees from the peak of 5,522 persons educated during previous year and realigns the figure with that of 2,680 achieved during 2005-2006.

The average cost of corruption prevention education delivery per person educated by the Commission in the Perth metropolitan area during 2007-2008 was \$142 per person. This represented an increase of 16 percent over the actual performance for the previous year, but was achieved at 27 percent below the target average cost. The cost increase is attributed to customisation of presentations, which may also result in fewer attendees at each session. The Commission received 2,349 attendees at 64 sessions and held 139 consultations in the Perth metropolitan area during the reporting period.

The average cost per person educated in regional Western Australia for 2007-2008 was \$281, a figure 52 percent lower than the previous reporting period of \$584 and constituting around 29 percent of the target figure of \$959. The Commission hosted 234 attendees at six regional education sessions and undertook five regional consultations. The significant reduction in average cost results from the Commission focusing its regional education efforts on a small number of well-attended education sessions during the reporting period.

Average cost per major/minor inquiry or review conducted

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
Average cost per major inquiry or review conducted	\$147,870	\$128,904	\$157,250	\$65,906
Average cost per minor inquiry or review conducted	N/A	N/A	N/A	N/A ²⁷

The second Service One core activity area involves the conduct of inquiries and reviews into the policies, process and practices of public sector agencies in relation to the management of misconduct. Additionally, this includes research activities examining corruption prevention themes which may be associated with major investigations. The costs allocated to this area are divided between major and minor inquiries and reviews on the basis of the work undertaken.

A major inquiry or review involves the dedication of one or more FTEs for a minimum consolidated period exceeding two weeks, or the dedication of more than two FTEs for a consolidated period exceeding one week. A minor inquiry or review involves the dedication of a maximum of two FTEs for a maximum consolidated period of two weeks.

Analysis

As it entered the reporting period, the Commission made a strategic decision to increase its focus on this area of activity with the result being that it was engaged in 28 activities that were classified as major inquiries or reviews during 2007-2008. This represented a 211 percent increase over the nine major activities reported for the previous year.

The concentration of effort saw the average cost per major inquiry or review decrease by around 49 percent from \$128,904 (in 2006-2007) to \$65,906, a figure which was also about 58 percent more efficient than the target figure which was established during the budget estimates process at a time before this strategy had been adopted by the Commission.

Similarly to previous years, no minor inquiries or reviews were undertaken in favour of major activities.

²⁷ No minor inquiries or reviews have been undertaken as resource priorities have consistently favoured major activities.

Average cost per major/minor education material produced

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
Average cost per major education material produced	\$37,341	\$36,790	\$51,106	\$22,510
Average cost per minor education material produced	\$7,468	\$7,358	\$10,007	\$4,502

The third Service One activity area involves the production and distribution of corruption prevention educational materials. Similar to inquiries and reviews, the costs allocated to materials are divided proportionately between major and minor materials on the basis of the complexity of the work undertaken.

Major education materials include research reports, DVDs and any item that requires comparable input due to its size and the effort of its production (for example, through significant research, scripting and editing). Minor education materials include brochures and other items of similar size and effort of production.

Analysis

As part of, and to balance, the Commission's strategy of reducing corruption prevention education workshops and seminars during the reporting period, it increased production of corruption prevention materials, particularly major materials, which were made available to support agencies' needs. To this end, during 2007-2008, the Commission produced 19 major education materials, an increase of 280% from the previous year. This was supported by 23 minor education materials.

This increased production resulted in cost efficiencies which saw the average cost of a major education material reduced by around 39 percent to \$22,510 during 2007-2008. The average cost for minor education materials was similarly reduced by 39 percent to \$4,502 per item.

As the Commission's strategy in regard to education materials was adjusted following the budget estimates process, both results appear as significant reductions below target average figures, which therefore do not accurately reflect true efficiency improvements.

Service Two: Oversight and conduct of public sector misconduct investigations (misconduct function)

The Commission's Service Two relates to its 'misconduct function'. The responsibilities of this service fall into two areas:

- The assessment of complaints and oversight of misconduct investigations undertaken by appropriate authorities (public sector agencies); and
- The Commission's own conduct of investigations into misconduct and corruption allegations against public officers.

Service Two Efficiency Indicators

Average cost per matter assessed, monitored and reviewed

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
Average cost per matter assessed, monitored and reviewed	\$564	\$508	\$783	\$573

One of the Commission's core activities involves the assessment of complaints and notifications of alleged public officer misconduct. As a result of these assessments, one course of action is to refer matters to appropriate authorities in order that these agencies conduct investigations into the allegations. The conduct of these Appropriate Authority Investigations is then monitored and, when finalised, reviewed by the Commission to ensure the appropriateness of findings.

This indicator establishes the average cost per activity within the Commission's core service of managing misconduct allegations and notifications by calculating the number of matters dealt with in relation to the cost of the resources applied to complete them.

Analysis

The average cost of \$573 per matter showed a 13 percent increase over the previous reporting year, or two percent over the 2005-2006 result. This result is consistent with those of previous years, a comparison which provides a better indication of actual performance than the result against the higher target figure for 2007-2008 established during the estimates process. The reason for this relates to the quality of the earlier reporting systems available to the Commission. However, in 2006-2007 the Commission implemented a new case management system to replace the legacy systems it had inherited from the Anti-Corruption Commission and Kennedy Royal Commission. This now enables the Commission to more accurately track complaints and develop reports, including for performance management purposes.

Average cost per matter investigated

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
Average cost per matter investigated	\$59,059	\$83,371	\$56,473	\$87,041

The nature and complexity of individual investigations undertaken by the Commission may vary within and between reporting periods. Straightforward investigations may be short and sharp, while more complex inquiries may be protracted and resource intensive.

Investigative resources are allocated on a priority basis. This may result in the majority of resources being engaged in a small number of investigations, or conversely, deployed across a broad range of matters, at any given time. Either end of this investigative spectrum may be prevalent during a particular reporting period and may affect the KPI accordingly.

This indicator captures the serious misconduct inquiries conducted by the Commission's Investigations Unit as well as preliminary investigations and inquiries undertaken as part of the complaints assessment and review processes.

Analysis

During 2007-2008 the average cost per matter investigated was \$87,041, a four percent increase over the 2006-2007 reporting period. The Commission's operational priorities saw its investigative resources concentrated on similarly complex and longer-term inquiries, which maintained the average cost per investigation at a slightly increased but comparable level to the previous year.

This result contrasts against the lower target figure of \$56,473 which had been established when the Commission had predicted that its investigation 'mix' would include more short-term investigations similar to previous years.

Weighted average time taken per matter assessed, monitored and reviewed

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
Weighted average time taken per matter assessed, monitored and reviewed	49 days	72 days	20 days	78 days

This KPI measures the weighted average time spent by the Commission in the assessment of complaints and notifications, and in the oversight of the Appropriate Authority Investigations referred to appropriate authorities. It encompasses the three component activities which constitute the Commission's primary misconduct investigation oversight role. This includes the assessment of notifications and allegations received by the Commission, the monitoring of the progress of Appropriate Authority Investigations that the Commission has referred to appropriate authorities, and the review of Appropriate Authority Investigations and their outcomes upon completion to ensure that they meet the required investigation standard.

Analysis

The weighted average time taken per matter assessed, monitored and reviewed for 2007-2008 was 78 days. This was within eight percent of the previous year's figure. The target figure for the reporting period, which was generated prior to the availability of refined data from the Commission new case management system, is inadequate for comparative performance assessment purposes. The value of such assessments will increase now that reliable data is available through the case management system and accurate targets may be set in alignment with the budget cycle.

Although this KPI results from a weighted average of three elements, the time taken by public agencies to conduct Appropriate Authority Investigations is the longest component of this process. The average time taken for an Appropriate Authority Investigation undertaken by public agencies during 2007-2008 was 174 days. This is an increase of 20 percent from the previous reporting period when the average was 145 days.

From the perspective of the Commission's internally-driven processes, the average time taken to assess a complaint during the reporting period was 16 days, which compares favourably at a decrease of 27% below the 22 day average for 2006-2007. The average time taken to review an Appropriate Authority Investigation was 53 days, which was a six percent increase over the 50 day average recorded for the previous year.

Average time taken per completed investigation

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
Weighted average time taken per completed investigation	70 days	44 days	33 days	66 days

The nature and complexity of individual investigations affect the resources required to complete them. Further, the relative priority of investigations will influence the distribution of available resources among those matters. While a higher level of allocated resources may reduce the time taken to complete a particular investigation, this may result in other investigations being prolonged until sufficient resources are available for their completion.

Analysis

The average time taken per completed investigation during 2007-2008 was 66 days, or an increase of 50 percent over the previous year and 100 percent over the target figure. The 2007-2008 reporting period has included the most complex inquiries undertaken by the Commission since its establishment, resulting in longer investigations.

While the performance was similar to that of the 2005-2006 reporting period (70 days), it is of significance to note that the Commission has now recruited to its full staffing capacity.

It is not uncommon for investigations to span across consecutive reporting periods. Examples of two continuing investigations with aspects in the public arena are the Investigation into the Matters Concerned with the Conviction and Imprisonment of Mr Andrew Mallard, for which the opening phase of public hearings was held in May 2007, and the Investigation into Lobbying and Alleged Public Sector Misconduct, for which initial public hearings were held in February 2007.

Service Three: Facilitation of investigations into organised crime (organised crime function)

Service Three relates to the Commission's 'organised crime functions'. This involves two areas of responsibility:

- The facilitation and oversight by the Commission of the use of exceptional powers by the Western Australia Police in its organised crime investigations (these powers include the private examination of witnesses by the Commissioner of Police and the provision of enhanced powers to the police to enter, search, stop and detain).
- The facilitation by the Commission of the removal of fortifications by Western Australia Police from 'heavily fortified' premises habitually and collectively used by persons reasonably suspected to be involved in organised crime.

Service Three Efficiency Indicators

Average cost per exceptional powers finding application considered, approved and monitored / fortification warning notice application considered and approved / organised crime examination applied for and conducted

Effectiveness Indicator	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Actual
Average cost per exceptional powers finding application considered, approved and monitored	N/A	N/A	N/A	N/A
Average cost per fortification warning notice application considered and approved	N/A	N/A	N/A	N/A
Average cost per organised crime examination applied for and conducted	N/A	N/A	N/A	N/A

The Commission's delivery of this service is inherently restricted by the nature of the powers provided by the legislation. It cannot proactively authorise the use of these powers and relies entirely upon applications from the Commissioner of Police to initiate its activities. Therefore, the Commission's performance, and subsequently the assessment of its efficiency, is closely linked to and dependent upon the operational priorities of the police.

Analysis

Performance against these key performance indicators has been recorded as N/A (not applicable) because no tangible activity occurred within Service Three (*Facilitation of investigations into organised crime*).

OTHER FINANCIAL DISCLOSURES

CAPITAL WORKS

Capital Projects Incomplete

The following major capital projects were incomplete: -

- Case Management and Intelligence System – Investigations;
- Financial Management Information System – Business Services;
- New Operational Support Equipment - Operations; and
- Payroll System – Business Services.

EMPLOYMENT AND INDUSTRIAL RELATIONS

Staff Profile

The Commission is not an SES organisation under the *Public Sector Management Act 1994*. Commission staff may not be appointed for a period exceeding five years but are eligible for reappointment.

During the Reporting period the Commission maintained an average staffing level of 150 Full-Time Equivalent (FTE) positions. At 30 June 2008, 160.3 FTE positions were filled.

	2006-07			2007-08		
Level	Male	Female	Total	Male	Female	Total
1	0.0	0.0	0.0	0.0	0.0	0.0
2	7.0	5.0	12.0	6.0	4.4	10.4
2/4	0.0	0.0	0.0	3.0	1.0	4.0
3	4.0	12.2	16.2	3.0	12.3	15.3
4	5.0	11.8	16.8	4.0	12.4	16.4
5	4.0	0.6	4.6	5.0	3.4	8.4
6	19.0	17.2	36.2	17.8	16.6	34.4
7	27.0	5.8	32.8	32.0	7.4	39.4
8	18.0	2.0	20.0	17.0	2.0	19.0
9	4.0	2.0	6.0	5.0	0.0	5.0
Class 1 & Negotiated	6.0	1.0	7.0	6.0	2.0	8.0
Total	94.0	57.6	151.6	98.8	61.5	160.3

Table 12: Staff Establishment

Staff Development

The Commission's skilled and experienced staff is its main asset and it encourages them to participate in a range of learning and development activities to expand their technical, operational and strategic skills.

During 2007-2008, Commission staff enhanced their skills and knowledge through a range of learning arenas, such as seminars, conferences and external training courses. A total of 88 officers undertook training, with an average of 2.86 training days per staff member.

Training covered technical skills, organisational development, information management and risk management. While most of the training conducted was off-site by external accredited providers, the Commission also conducted awareness-raising sessions in security and emergency responses for new staff and refresher courses for current staff.

Eighty staff members benefited from performing higher duties and/or undertaking temporary promotional appointments.

Workers Compensation

There were no new Workers Compensation claims during the financial year ending 30 June 2008. A claim, previously declined from a preceding year, remains active.

GOVERNANCE DISCLOSURES

Contracts with Senior Officers

At the date of reporting, there were no matters to report in respect of senior officers of the Commission concerning any interests they may have in respect of firms, entities or other bodies that do business with the Commission.

OTHER LEGAL REQUIREMENTS

CORRUPTION AND CRIME COMMISSION ACT 2003

Section 91(2) of the CCC Act specifies the Commission's requirement to publish certain information in its annual report. Information covering these requirements is contained within the Report on Operations section of this report. The table below contains the required statistical information.

Activity	Number
Section 46: Organised crime exceptional powers findings	0
Section 68: Organised crime fortification warning notices	0
Section 94: Notices to produce a statement of information served	19
Section 101: Search warrants	26
Section 103: Approvals for assumed identities	23
Section 121: Conduct controlled operations	4
Section 123: Integrity testing programmes	5
Section 148: Arrest warrants	0
<i>Surveillance Devices Act 1998</i> warrants	12
<i>Telecommunications Interception and Access Act 1979</i> warrants	102

Table 13: Required Reporting (Section 91(2))

ADVERTISING

Section 175ZE of the Electoral Act 1907, require the Commission to report expenditure incurred during the reporting period in relation to advertising and sponsorship. The following tables detail the expenses incurred by the Commission for the 2007-2008 financial year.

Expense Type	Cost (\$)
Advertising agencies	Nil
Market Research Organisations	Nil
Polling Organisations	Nil
Direct Mail Organisations	Nil
Media Advertising Organisations	72,164
Total Expenses	72,164

Table 14: Advertising and sponsorship

The breakdown in relation to the advertising costs is shown in the Table below:

Supplier	Cost (\$)
Marketforce (staff recruitment)	69,835
Marketforce(hearings)	1,361
Marketforce (other regional)	268
Australian Government Directory	700
Total Expenses	72,164

Table 15: Recruitment and advertising

DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

The Commission's primary focus is to actively support the Western Australian public sector by investigating and reducing the incidence of misconduct. The Commission is committed to ensuring equality of access and continues to review its services and facilities.

The Commission is committed to ensuring that all members of the community have equal access to its services, including its public hearings. The Commission's premises at 186 St George's Terrace, Perth, have been designed to provide ease of access and facilities for people with disabilities. Complaints about public officers can be lodged using a variety of media and Commission staff will make off-site visits to facilitate this process, where necessary. All members of the community are invited to participate in public consultation.

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

The Commission's policies and practices comply with the Public Sector Standards in Human Resource Management, the WA Public Sector Code of Ethics and the Commission's Code of Conduct. Policies, procedures and the Code of Conduct are available on the Commission's intranet, are accessible to all staff and incorporated into the Commission's induction practices.

Arising from the Public Sector Code of Ethics, the Commission has developed a Code of Conduct, which applies to all employees and forms part of their employment contract. All new members of staff are supplied with a copy of the Code of Conduct on commencement. The Commission's Code of Conduct provides a guide for officers, helping them to understand their responsibilities and obligations. An Ethical Principles Project Group has convened to review the existing Code of Conduct, with further progress to be undertaken in the coming year.

No compliance issues regarding the Western Australian Public Sector Code of Ethics or the Commission's Code of Conduct arose during the 2007-2008 financial year. One claim against the Public Sector Standard for Recruitment, Selection and Appointment was lodged but not upheld.

Commission Grievance Officers and staff attended a variety of awareness raising workshops and seminars covering topics such as: grievance resolution, equal opportunity and harassment, public interest disclosure, conflicts of interest, ethics and corporate governance.

RECORDKEEPING PLANS

The Commission complies with section 19 of the *State Records Act 2000*, and with *State Records Commission Standard 2 - Recordkeeping Plans, Principle 6 - Compliance* which requires government organisations to have a Recordkeeping Plan and that government employees comply with the Recordkeeping Plan.

A status report in respect of the Commission's current Recordkeeping Plan was submitted to the State Records Commission on 31 March 2008 and tabled at a State Records Commission meeting on 25 June 2008. The Commission engaged the services of external consultants who have assisted with the review of the Recordkeeping Plan and implemented amendments for submission to the State Records Office. This has included further development in the areas of a Policy and Procedures Guide, Disaster Recovery Plan and Disposal Program.

The Commission continues to use the Electronic Document Management System (Objective) as its official record keeping system and the Case Management and Intelligence System (CMIS) to capture, store and retrieve information relating to investigative operations in a secure, centralised repository. Records captured in CMIS are linked to an Objective file.

Recordkeeping training, including individual roles and responsibilities, is initiated in the Commission's induction process, enhanced through Objective and CMIS training and provided to staff, as needed, on an ongoing basis. A review of the efficiency and effectiveness of the training program is proposed for the next twelve months.

GOVERNMENT POLICY REQUIREMENTS CORRUPTION PREVENTION

Premier's Circular 2005/02 requires agencies to report on the measures they are taking to reduce corruption and misconduct. The Commission not only addresses this requirement itself, it also reviews the information provided by other agencies which is useful in assisting them to develop or enhance their corruption resilience.

During the reporting period the Commission developed its Misconduct Resistance Framework, an initiative for assisting agencies to adopt an integrated governance approach to protecting their integrity. The Commission decided to internally adopt the framework itself prior to assisting other agencies with its implementation. The Misconduct Resistance Framework assists to identify, manage and prevent misconduct and corruption and is aligned with Australian Standard 8001:2003 *Fraud and Corruption Control*.

Misconduct and corruption risks are integrated into the Commission's risk management system, which complies with Australian Standard 4360 *Risk Management*. All staff members are encouraged to contribute to ongoing risk management within their workgroups, which helps to increase their awareness of corruption and misconduct risks. The Commission's current Corruption Prevention Plan, which details the Commission's main corruption and misconduct threats and associated mitigation strategies, is available to all staff on the Commission's intranet. The implementation of the Misconduct Resistance Framework involves the participation of, and communication with, staff across the organisation.

While the Commission is responsible for the receipt of notifications and complaints of misconduct concerning public officers, any allegation concerning a Commission officer should be directed to the Parliamentary Inspector of the Corruption and Crime Commission.

SUSTAINABILITY

Premier's Circular 2004/14 (27 September 2004) requires that all Departments of State and Senior Executive Service (SES) organisations comply with the State's Sustainability Code and Practice and develop a Sustainability Plan by 31 December 2004 and report on progress of the implementation in annual reports from the year ending June 2005. While non-SES organisations, like the Commission, are not required to comply with the Code, they are encouraged to do so. The Commission has agreed to establish a Sustainability Action Plan voluntarily.

This plan was not developed during 2006-2007 and was deferred in 2007-2008 because the Commission's building 'fit out' was not completed until June 2007. Further building works were completed at 30 June 2008. Consequently the sustainability plan will be developed during the 2008-2009 financial year.

Notwithstanding this, the fit-out of the building at 186 St Georges Terrace was designed with features that aid the Western Australian Government's Sustainability Plan. Water devices have inbuilt controllers that are designed to minimise waste. Lighting in the building offices is sensor controlled by movement. Additionally, the vehicle fleet has been reduced and a conscious effort has been made by the Commission to introduce four cylinder vehicles.

The Commission's operations support sustainability and encourage its employees to support the sustainability principles.

OCCUPATIONAL SAFETY AND HEALTH

Occupational safety and health (OSH) is an important consideration for all Commission staff, commencing with a comprehensive induction program for new employees. Further education is offered to staff and managers and five new OSH representatives attended introductory training courses during 2007-2008.

The Occupational Safety and Health Committee Planning and Advisory Group (OSHPAG) was established in 2005 to develop, promote and support safety and health initiatives for the Commission. Part of the group's role has been to develop and implement the Commission's Occupational Safety and Health Plan 2007/2009. Employees across all business areas are represented by OSH Representatives, who also participate in the OSHPAG.

During the year, regular workplace inspections have been conducted by Safety and Health Representatives to ensure compliance with the *Occupational Safety and Health Act 1984*. In addition, a register documenting hazards, actual incidents or near misses was maintained. Safety and Health Representatives are trained in accordance with the *Occupational Safety and Health Regulations 1996* and provide ongoing advice and the promotion of safety in the workplace.

The Commission demonstrated a proactive approach to the health and wellbeing of all staff through the development and implementation of a wellness program, which will continue into the 2008-2009 year. This commitment to a safe and enjoyable workplace was recognised in August 2007, when WorkSafe awarded the Commission a Silver Certificate of Achievement. Indicative of the extent to which the Commission has met its legislative obligations, the certificate recognises the substantial progress made in the development, commitment and management of Occupational Safety and Health programs, the low incidence of workplace injury and disease which has been maintained; and the level of commitment shown by senior management and staff at all levels to understand and accept their responsibilities.

The Commission is committed to providing injury management support to all workers who sustain a work related injury or illness with a focus on safe and early return to meaningful work and in accordance with the *Workers' Compensation and Injury Management Act 1981*.

Incident	Target 2007-08	Actual 2007-08
Number of Fatalities	0	0
Lost time injuries	0	0
Lost time injury severity rate	0	0

Table 16: Occupational Safety and Health Incidents