

Annual Report 2020-21



About this report

Welcome to our 2020-21 Annual Report. This report provides a comprehensive overview of our operational and financial performance for the financial year. Simple explanations of key terms used throughout this report can be found at the back.

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Alternative formats

On request, this report can be made available in alternative formats for those with special needs.



Acknowledgement of Country

The Corruption and Crime Commission acknowledges the Traditional Owners of the land on which we work, the Whadjuk people of the Noongar nation. We pay our respect to their elders; past, present and emerging.

Artwork was painted by Corruption and Crime Commission staff under the guidance of Justin Martin from Djurandi Dreaming.

Statement of compliance

The President of the Legislative Council

The Speaker of the Legislative Assembly

CORRUPTION AND CRIME COMMISSION 2020-21 ANNUAL REPORT

In accordance with s 91(4) of the *Corruption, Crime and Misconduct Act 2003*, I am pleased to present the Annual Report of the Corruption and Crime Commission for the financial year ended 30 June 2021. It presents our audited financial statements and key performance indicators for the financial year.

This report has been prepared in accordance with the provisions of the *Corruption, Crime and Misconduct Act 2003* s 91 and the *Financial Management Act 2006* s 61(1).

Yours sincerely



John McKechnie QC

COMMISSIONER

27 October 2021

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Commission overview

At the Corruption and Crime Commission (the Commission), a team of around 120 lawyers, investigators, intelligence analysts, assessment officers and corporate staff is dedicated to reducing the incidence of serious misconduct and organised crime and to giving the Western Australian community confidence that public officers act in the public interest and not for self-interest.

This section provides a summary of our key results and highlights from the year. It provides a comprehensive overview of the Commission and its structure, the work that we do and how it contributes to broader State Government goals.

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Acting Commissioner's report



The Corruption and Crime Commission is fundamental to open and effective government in Western Australia, and to community confidence in our public sector.

Our role is to build capacity to identify serious misconduct in the Western Australian public sector and to foster an environment where individuals feel safe and obliged to speak up if they suspect corruption or see evidence of it.

In 2020-21, we were encouraged to receive 2,972 reports or notifications of suspected serious misconduct from the Western Australian community, public sector employees and heads of public authorities. The Commission assessed 7,190

allegations, by far the largest number of serious misconduct allegations the Commission has assessed in a year. Assessing every allegation, and deciding what action to take, set the scene for a busy year.

We continued to refer allegations to public authorities for action with Commission oversight. We conducted 58 serious misconduct investigations. We produced 33 reports either to Parliament or to the heads of public authorities highlighting serious misconduct risks identified by our operational activities.

The public examinations arising out of the activities of Mr Paul Whyte (the former Assistant Director General of the Department of Communities) and into allegations of a 'cover up' at Hakea Prison gave Western Australians an insight into how the Commission investigates and exposes serious misconduct.

As well as exposing and disrupting corruption in the Western Australian public sector, we work to identify and target those who have accumulated wealth through unlawful means. Disrupting organised crime is one of the Commission's primary objectives. Freezing assets as part of unexplained wealth investigations is one way we achieve this.

This year, we resolved two significant unexplained wealth matters. The first case saw the Supreme Court make an unexplained wealth declaration for almost \$630,000 and ordered the confiscation of cash and assets. The Supreme Court also made a criminal benefits declaration against Mr Paul Whyte, whose assets were restrained by a freezing order and declared to be worth over \$11 million.

The Commission's work in relation to unexplained wealth investigations has been managed within its existing resources since 2018. With results and benefits now being realised, this will inform a review to secure additional resources to continue this complex but important area of our operations.

The Commission examined 108 witnesses over 79 days of private or public examinations in the course of its serious misconduct and unexplained wealth investigations.

We were delighted to welcome back Corruption and Crime Commissioner Hon John McKechnie QC in June 2021. His re-appointment comes at a critical time with a number of important investigations underway. His leadership will be instrumental to the ongoing success of the Commission.

I thank the Commission's Chief Executive, Mr Ray Warnes, and all the Commission's staff, for their support, commitment and adaptability during the year.

I am pleased to present the Annual Report on the Commission's activities for 2020-21.

Scott Ellis

ACTING COMMISSIONER

Year at a glance

Assessing allegations of serious misconduct

2,972

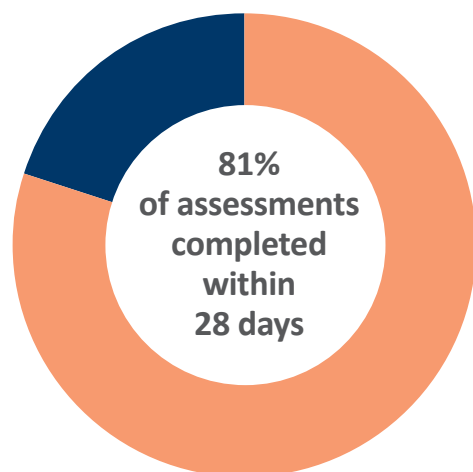
notifications/reports received

7,190

allegations assessed

23 days

on average to complete assessments



Overseeing actions taken by public authorities into allegations of serious misconduct



1,808

allegations finalised – actions completed by appropriate authorities



21

reviews completed of appropriate authorities' actions in relation to 46 allegations

Investigating allegations of serious misconduct

58

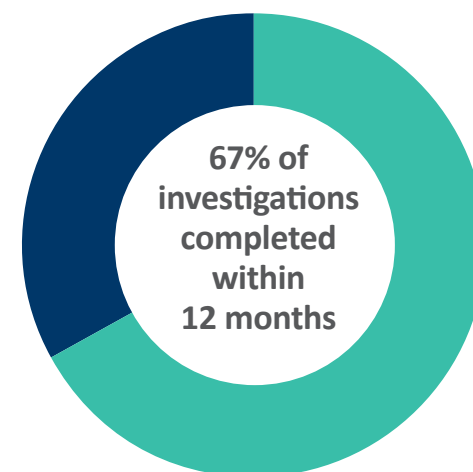
investigations conducted

21

investigations completed

347 days

on average to complete investigations



Examinations

108

witnesses examined over 79 days

Reports and recommendations

33

reports produced

2

recommendations made

Evaluating public authorities' responses to Commission recommendations

3

reviews completed of public authorities'
responses to our recommendations

The authorities made changes to their
policies and procedures to improve their
management of serious misconduct risks
associated with:



controlled
drugs in
hospitals



access to
confidential
information



use of
force
reporting

Unexplained wealth

41

referrals of unexplained
wealth matters received

14

self-initiated unexplained
wealth matters

13

initial investigations
conducted

12

investigations conducted

\$6m

in assets frozen



\$11.7m

in confiscation orders



Key highlights

2020





2021



**28
January**

Procurement risks have expensive lessons for the Water Corporation – *Review of an investigation by Water Corporation into serious misconduct allegations in procurement.*



**27
May**

Commission finalises an investigation into a police officer's excessive use of force – *Review of a police use of force incident in Northbridge on 10 November 2019.*



**17
June**

Commission considers recommendation into the WA Police Force's reporting of use of force incidents complete – *Final review of the WA Police Force response to an incident in the lock up of a country town.*



**24
June**

Office of the Auditor General takes action to secure data in the wake of Commission report – *Review of the Office of the Auditor General's response to misconduct risks with access to confidential information.*



**26
June**

Hon John McKechnie QC reappointed as Corruption and Crime Commissioner.

Operational structure

Legislation

The Commission was established on 1 January 2004 under the *Corruption, Crime and Misconduct Act 2003* (CCM Act). The Commission operates according to the CCM Act to expose and reduce the incidence of serious misconduct (including police misconduct) and organised crime. Under the CCM Act, the Public Sector Commission is responsible for dealing with minor misconduct and misconduct prevention and education across the public sector.

On 1 September 2018, the *Corruption, Crime and Misconduct and Criminal Property Confiscation Amendment Act 2018* took effect and the Commission's unexplained wealth function commenced. This function enables the Commission to investigate unexplained wealth and criminal benefits, and to bring civil confiscation proceedings in the Supreme and District courts.

Other key legislation

Those statutes that are relevant to the performance of our statutory functions under the CCM Act include:

- *Criminal Code Act 1913*
- *Criminal Investigation Act 2006*
- *Criminal Investigation (Covert Powers) Act 2012*
- *Criminal Organisation Control Act 2012*
- *Criminal Procedure Act 2004*
- *Criminal Property Confiscation Act 2000*
- *Evidence Act 1906*
- *Local Government Act 1995*
- *Police Act 1892*
- *Public Interest Disclosure Act 2003*
- *Surveillance Devices Act 1998* (WA)

- *Surveillance Devices Act 2004* (Cth)
- *Telecommunications (Interception and Access) Act 1979* (Cth)
- *Telecommunications (Interception and Access) Western Australia Act 1996*
- *Witness Protection (WA) Act 1996*

Responsible Minister

The Attorney General has administrative responsibility for the CCM Act and is the responsible Minister for the Commission's budget.

External oversight

The Joint Standing Committee on the Corruption and Crime Commission (JSCCCC), assisted by the Parliamentary Inspector, oversees the Commission. The current JSCCCC was established on 26 May 2021 with the following membership:

- Mr Matthew Hughes MLA;
- Mr Ronald (Shane) Love MLA;
- Hon Dr Steven (Steve) Caldwell Thomas MLC; and
- Hon Klara Andric MLC.

The current Parliamentary Inspector is Mr Matthew Zilko SC, who commenced his five-year term on 23 November 2020.

Internal governance

Corporate Executive Committee

The Corporate Executive Committee (CEC) supports the Commissioner and the Chief Executive through the provision of advice and the implementation of corporate strategies, policies and organisational performance improvement initiatives. The CEC ensures the Commission fulfils its statutory obligations.

Risk and Audit Committee

The independent chair of the Commission's Risk and Audit Committee is Mr Des Pearson AO. Mr Pearson has more than 40 years of public service, including 21 years as the auditor general of Western Australia. The Commissioner and the Acting Commissioner are members of the Risk and Audit Committee.

In January 2021, the Commission engaged a new internal audit provider, Assurance Advisory Group.

The Commission has a Strategic Internal Audit Plan. We undertake quarterly reviews of our risk profile and an annual review of the enterprise risk management policy and plan.

During 2020-21, we conducted an internal audit of our corporate governance practices. The audit found that the Commission continues to maintain a strong foundation of good governance, with systems and structures that support it in meeting its accountability obligations and in achieving a high level of organisational performance.

Operations Committee

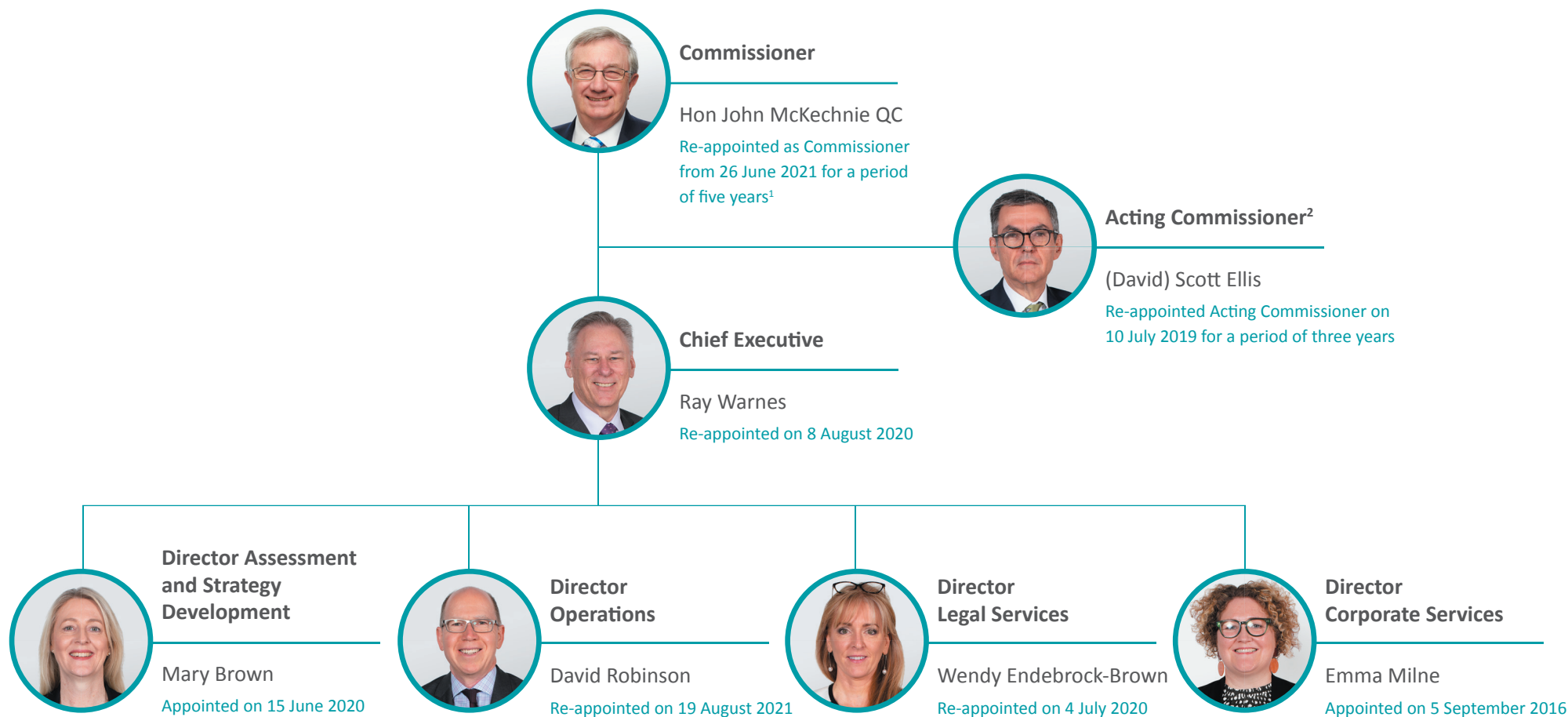
The Operations Committee is responsible for ensuring our operational activities support our purpose of exposing and disrupting corruption, serious misconduct and organised crime. The Committee comprises the Chief Executive as Chair, directors and invited officers. The Operations Committee considers allegations of serious misconduct which meet the Commission's seriousness criteria. The Committee provides advice and recommendations about actions to be taken in relation to allegations and about the Commission's operations for the Commissioner's approval.

► Details of our seriousness criteria – page 19

Integrity Framework

During 2020-21, we enhanced our Integrity Framework. This framework outlines our governance systems and controls, and aligns with the Public Sector Commission's Integrity Strategy for Public Authorities 2020-23.

Organisational structure and senior officers



¹ The Commissioner commenced his duties on 28 June 2021.

² The Acting Commissioner is appointed to act in the office of Commissioner if there is a vacancy or the incumbent is unable to perform the functions of the Commission.

³ David Robinson was on placement at the Department of Communities from 24 August – 22 December 2020. The Chief Executive assumed the responsibilities of the Director Operations during this time.

Directorate profiles

The Commission has four directorates and an Executive Office that work collaboratively to maximise the effectiveness of the Commission.

Executive Office

The Executive Office provides diverse services to support the Commissioner and Chief Executive, including the preparation and publication of reports, executive officer support to Commission committees, facilitation of risk management and internal audit processes, development of communication strategies for internal and external audiences, and administrative support.

Assessment and Strategy Development

The Assessment and Strategy Development Directorate's three units are Assessments and Enquiries, Oversight, and Strategic Intelligence. The Directorate assesses allegations of serious misconduct (including police misconduct), monitors and reviews actions performed by public authorities, and carries out strategic research and analysis to inform Commission priorities.

Operations Directorate

The Operations Directorate carries out the Commission's investigative activities. The Directorate has four units – Investigations, Electronic Collection, Digital Forensics and Investigation Surveillance. They work together to proactively identify and investigate allegations of serious misconduct and reports of unexplained wealth. The focus of the Commission's investigative activity is on systemic and complex matters, many of which require the use of specialist capabilities.

Legal Services Directorate

The Legal Services Directorate supports the Commission in the performance of its functions under the CCM Act, the *Criminal Investigation (Covert Powers) Act 2012* and the *Criminal Property Confiscation Act 2000*. The Directorate provides representation in Commission examinations and in court proceedings involving the Commission (such as unexplained wealth applications). It prepares Commission reports, and provides advice, training and leadership in relation to all aspects of the Commission's operations.

Corporate Services Directorate

The Corporate Services Directorate ensures the delivery of high quality corporate services to the Commission. These services cover human resources, financial services, information technology, information and knowledge management, occupational safety and health, security and facilities services, and project management.

About us

Our purpose

To expose and disrupt corruption, serious misconduct and organised crime, giving the Western Australian community confidence that public officers act in the public interest.

Our vision

A Western Australian community and public sector that actively exposes and resists corruption and a community that is free from organised crime.

Our objectives

- Timely and appropriate assessment of allegations.
- Timely and appropriate conduct of investigations undertaken by public authorities.
- Timely and effective Commission investigations.
- Timely determination of unexplained wealth referrals.
- Reports and recommendations that expose corruption and enable public authorities to reduce the risk of further corruption.

Our strategies

1. Exposing and responding to corruption risks in areas identified as a priority within the public sector.

- Police misconduct.
- People at risk.
- Procurement and financial management.
- Data and information.
- Policy, regulation and licensing.
- Use of force.

2. Developing partnerships and processes to receive and respond to unexplained wealth referrals.

Enabled by...

3. Enhancing the Commission's systems, processes and workforce capability to enable it to remain contemporary and effective.

Our responsibilities

Responding to allegations

- Receiving and assessing allegations of serious misconduct.
- Determining what action should be taken in respect of serious misconduct allegations.

Conducting or overseeing investigations or actions taken by public authorities

- Investigating or taking other action.
- Monitoring investigations undertaken by appropriate authorities.
- Making recommendations and furnishing reports on the outcome of investigations.
- Consulting, cooperating and exchanging information with appropriate authorities.
- Assembling admissible evidence for prosecuting authorities.

Assisting public authorities to prevent serious misconduct

- Analysing information.
- Analysing systems used within public authorities.
- Providing information and making recommendations.
- Increasing the capacity of public authorities by providing advice.
- Reporting on ways to prevent and combat serious misconduct.

Identifying and confiscating unexplained wealth

Investigating whether a person has, or may have, acquired unexplained wealth or a criminal benefit.

Assisting WA Police Force in relation to organised crime

Reviewing and enabling the use of exceptional powers; examining witnesses; approving assumed identities; authorising and reviewing controlled operations; and considering fortification notices.

Our values

We are committed to our values of:

Integrity

Acting with care and diligence – making decisions that are honest, impartial, and timely and in consideration of all relevant information.

Accountability

Using resources of the State in a responsible and accountable manner to ensure the efficient, effective and appropriate use of human, natural, financial and physical resources, property and information.

Leadership

Enabling and inspiring others to make a difference.

Teamwork

Collaborating and actively seeking the contribution of others.

Relationships with others

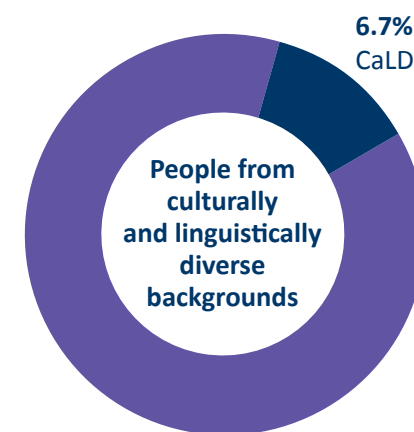
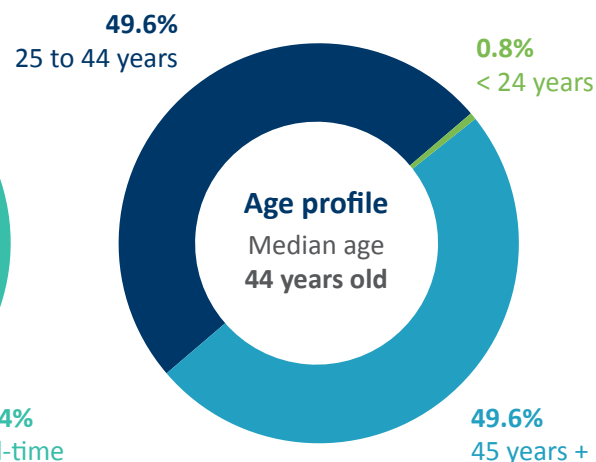
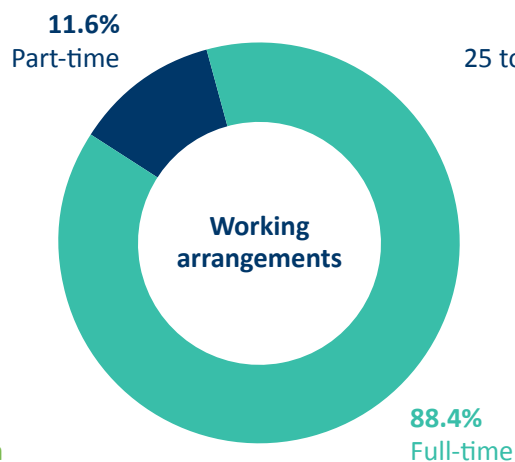
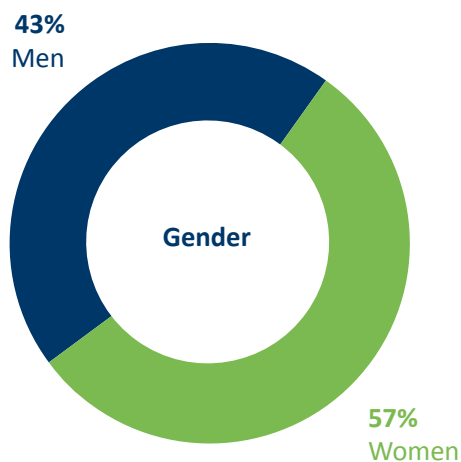
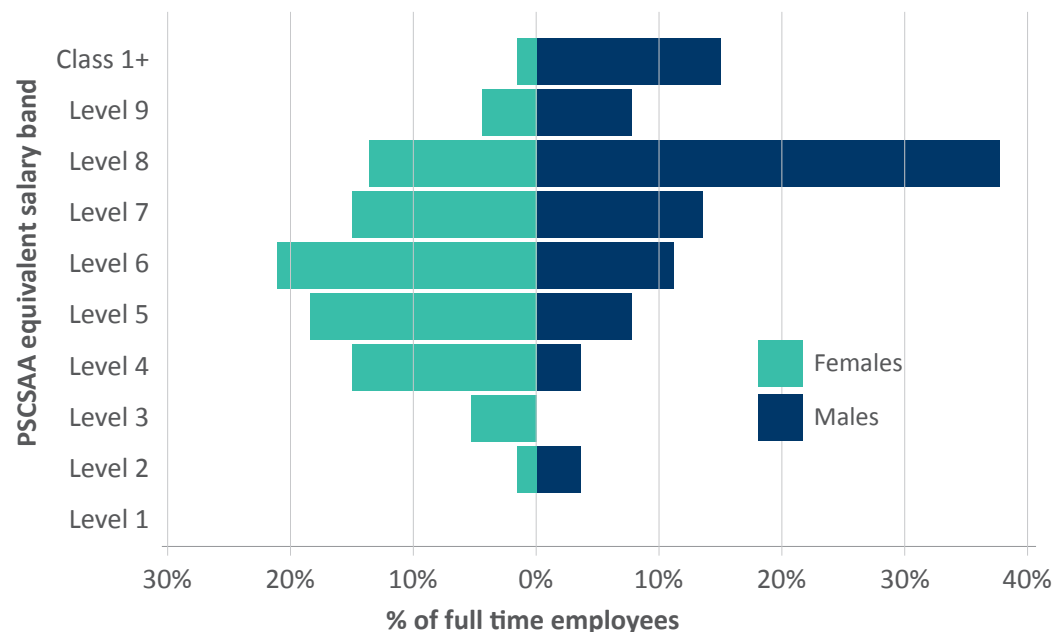
Treating people with courtesy, sensitivity and recognising their interests, rights, safety and welfare.

Our workforce profile

Source: 2020-21 MOIR. Workforce data only includes employees paid by the Commission. It does not include Commission employees on secondment to another agency (3), or employees on placement at the Commission from another agency (6), where the employee is paid by that agency.

121 
Employees at the Commission /
116.2 Full-time equivalent

Gender by PSCSAA equivalent classifications in the Commission



Performance management framework

Relationship to government goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The Commission supports the State Government's goal of 'Strong communities: Safe communities and supported families' through delivery of the following two services:

1. Assessing all allegations of serious misconduct received.
2. Investigating allegations of serious misconduct.

Table 1 illustrates the relationship between our services and the desired outcome, and the government goal it contributes to.

Our key effectiveness indicators measure the extent to which the delivery of our services contributes to achieving the desired outcome. The key efficiency indicators monitor the relationship between the services delivered and the resources used to produce the service.

Changes to the Commission's Outcome-Based Management Framework

The Commission's Outcome-Based Management Framework did not change during 2020-21.

Shared responsibilities with other agencies

We did not share any responsibilities with other agencies in 2020-21.

Table 1: Performance management framework

Government goal – Strong communities: Safe communities and supported families	
Desired outcome against Government goal	
The integrity of the public sector continuously improves and the incidence of misconduct is reduced.	
Services provided	
1 Assessing all allegations of serious misconduct received	2 Investigating allegations of serious misconduct
Key effectiveness indicators	
<ul style="list-style-type: none"> • Number of allegations received • Allegations as a percentage of people employed within public authorities under the Commission's jurisdiction 	<ul style="list-style-type: none"> • Number of investigations • Number of reports published
Key efficiency indicators	
<ul style="list-style-type: none"> • Percentage of assessments completed within 28 days • Average cost of assessment 	<ul style="list-style-type: none"> • Average time (days) to complete an investigation into serious misconduct • Percentage of investigations completed within 12 months

► Summary of key performance indicators – page 17

► Details of key performance indicators – page 49



Agency performance

What we do is fundamental to open and effective government in Western Australia, and to community confidence in our public sector.

This section outlines our performance in carrying out our responsibilities to expose and disrupt corruption, serious misconduct and organised crime. It provides a detailed report on our operations, structured around our key functions and responsibilities, and the activities supporting our operational performance.

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Working collaboratively with others 39

Growing our public profile 41

Recognising International Anti-Corruption Day 42

Enhancing our systems, processes and workforce capability 42



Summary of our performance

Summary of financial performance

Full details of our financial performance are provided in the Financial Statements from page 56. The following table summarises our actual financial results against the target financial results set out in the Budget Statements for 2020-21.

Table 2: Summary of actual versus target financial results for 2020-21

	2020-21 Target	2020-21 Actual	Variation ⁽¹⁾
	\$'000	\$'000	
Total cost of services (expense limit)	27,741	27,927	186 ^(a)
Net cost of services	27,701	27,789	88 ^(b)
Total equity	25,631	25,883	252 ^(c)
Net increase / (decrease) in cash held	(178)	496	674 ^(d)
Approved salary expense level	16,404	16,450	46 ^(e)

(1) Further explanations for variations are contained in Note 8.9 'Explanatory statement' to the financial statements.

(a) The variation is mainly due to the recognition of resources free of charge received from other state government agencies. These related to the placement of other public service employees within the Commission to support operational activities.

(b) The variation is as per (a) above which is offset by prior year refunds.

(c) The variation relates to an underspend in expenditure and the receipt of additional income.

(d) The variation is as per (c) above.

(e) The variation is the recognition of increased leave provisions.

► Details of our financial performance – page 56



Summary of key performance indicators

Full details of our key performance indicators are provided in the Key Performance Indicators section from page 49. The following tables summarise our 2020-21 actual results against the target results for our effectiveness and efficiency indicators.

Our effectiveness indicators

Table 3: Summary of actual versus target results for effectiveness indicators in 2020-21

	2020-21 Target	2020-21 Actual	Variation
Service 1: Assessing all allegations of serious misconduct received			
Number of allegations received	5,000	7,190	2,190
Allegations as a percentage of people employed within public authorities under the Commission's jurisdiction	2.60%	3.55%	0.95%
Service 2: Investigating allegations of serious misconduct			
Number of investigations	50	58	8
Number of reports published	40	33	(7)

Our efficiency indicators

Table 4: Summary of actual versus target results for efficiency indicators in 2020-21

	2020-21 Target	2020-21 Actual	Variation
Service 1: Assessing all allegations of serious misconduct received			
Percentage of assessments completed within 28 days	80%	81%	1%
Average cost of assessment	\$917	\$586	(\$331)
Service 2: Investigating allegations of serious misconduct			
Percentage of investigations completed within 12 months	80%	67%	(13%)
Average time (days) to complete an investigation into serious misconduct	350	347	(3)

► Details of key performance indicators – page 49



Report on operations: Exposing and disrupting serious misconduct

Assessing serious misconduct allegations

2,972 notifications/reports received

7,190 allegations assessed (KPI)

81% of assessments completed within 28 days (KPI)

23 days on average to complete assessments

Assessed allegations will relate to notifications/reports received by the Commission in this or the previous reporting period.

► Details of key performance indicators – page 49

The Commission is responsible for assessing all allegations of serious misconduct (including police misconduct) within the WA public sector.

The heads of public authorities have a statutory obligation to notify us of serious misconduct allegations. We also rely on public officers and members of the community to report any reasonable suspicion of serious misconduct.

Notifications or reports of suspected serious misconduct frequently contain more than one allegation and identify more than one public officer.

The Commission can also formulate its own propositions of serious misconduct in the public sector under s 26 of the CCM Act. It does not have to wait for specific allegations to be made to it. The propositions may be based on the Commission's own knowledge and experience. This enables the Commission to proactively respond to serious misconduct matters and areas of risk within the public sector.

We assess each allegation to determine whether, in our opinion, there is a reasonable suspicion of serious misconduct. We then decide what action to take.

Allegation assessment decisions

We focus our efforts and resources on significant and serious matters to maximise our impact on improving the integrity of the public sector. These matters will likely involve one or more of the following:

- areas of strategic importance;
- senior public officers or elected officials;
- significant financial loss;
- extensive or serious injuries;
- collusion or coercion to commit serious misconduct;
- systemic issues relating to a public authority's processes, systems or culture;
- a threat to the viability of, or confidence in, government, the public sector, a public authority and/or the public service; and/or
- a threat to public safety or resources.

Table 5 on the following page provides a summary of the allegation assessment decisions made during the year, with comparison to the previous financial year. A further breakdown of assessment decisions for the WA Police Force and for the rest of the WA public sector is provided in Appendix One.

► Appendix One – page 98

Overview of serious misconduct allegations

We collect and analyse allegation data to better understand serious misconduct trends, patterns and emerging risks within the public sector. An overview of the allegations assessed in 2020-21 is provided in Appendix Two.

► Appendix Two – page 100

**Table 5: Allegation assessment decisions in 2020-21 and 2019-20**

Assessment decision	2019-20		2020-21	
	No	%	No	%
Out of jurisdiction⁵	n/a	n/a	413	5.7%
Take no further action – s 33(1)(d)	4,154	72.3%	4,793	66.7%
Refer to an appropriate authority (AA) or independent agency (IA) for action – s 33(1)(c)	1,450	25.3%	1,860	25.9%
- Refer to AA – monitor for outcome	1,398	24.3%	1,717	23.9%
- Refer to AA – monitor for review	50	0.9%	142	2.0%
- Refer to IA	2	0.03%	1	0.01%
Commission to investigate (either independently or in cooperation with a public authority)	99	1.7%	47	0.7%
- Investigate independently – s 33(1)(a)	38	0.7%	21	0.3%
- Investigate in cooperation with public authority – s 33(1)(b)	61	1.1%	26	0.4%
Pending the outcome of a Commission preliminary investigation – s 32(2)	36	0.6%	60	0.8%
Pending a decision by the Commission's Operations Committee	4	0.1%	17	0.2%
TOTAL	5,743	100%	7,190	100%

For most of the allegations we assess, action by us is not warranted because the allegation falls outside of our jurisdiction, we are unable to form a reasonable suspicion of serious misconduct, or the matter is being or has already been dealt with appropriately.

Public authorities have primary responsibility for investigating and addressing misconduct by their officers. If we decide that action is required, we will often refer allegations back to the appropriate authority for action and oversee the authority's investigation, rather than investigating it ourselves.

We focus our investigative resources on matters that are serious and significant and/or where there is a need for an independent investigation.

We work cooperatively with public authorities to investigate serious misconduct, to develop investigative capabilities within the public authority, to augment their investigations by the use of our greater investigative powers, to build relationships with authorities, to streamline access to their information and to maximise the effectiveness of Commission resources.

We conduct preliminary investigations to obtain enough information to make an informed decision about whether further action should be taken.

⁵ In 2019-20, allegations assessed as being 'Out of jurisdiction' are recorded under the assessment decision of 'Take no further action'. Further explanation regarding this change in process for 2020-21 is provided in Appendix One.



Overseeing actions taken by public authorities into allegations of serious misconduct

1,808 allegations finalised – actions completed by appropriate authorities

21 reviews completed of appropriate authorities' actions in relation to 46 allegations

Allegations were referred to appropriate authorities by the Commission during this or a previous reporting period.

Public authorities are responsible for managing their serious misconduct risks, for investigating alleged misconduct by their staff and for determining what action should be taken to deal with it.

The Commission is responsible for monitoring the actions taken by appropriate authorities in relation to allegations that the Commission refers to them. Our role is to ensure the appropriate authority deals with the matter in a timely and appropriate manner. Through our oversight role, we gain insight into the authority's internal processes and its capacity to deal with serious misconduct matters.

Monitoring for outcome

The vast majority of allegations we refer to appropriate authorities for action are categorised as 'monitor for outcome'. We recommend authorities commence taking action within six months of referral. The Commission retains oversight of the matter through regular progress updates. Authorities are required to provide us with a detailed report of the actions taken.

If the Commission has concerns about the authority's response, further information may be requested and feedback given to the authority. If serious concerns are identified, we may decide to review the action taken or investigate the allegations.

Monitoring for review (active monitoring and review)

Where the matter is more serious or where the Commission has concerns about the authority's ability to take appropriate action, the Commission may refer the matter for 'active monitoring'. In such cases, we will implement a more structured program of engagement, consultation and proactive oversight.

On completion of the appropriate authority's actions, we undertake a thorough review of the actions as well as the outcomes. Our review considers whether the actions taken and conclusions reached were reasonable and open to be made.

Review of class of allegation (thematic review)

If multiple allegations of a similar nature are identified and suggest systemic concerns, we may group the allegations together and conduct a 'thematic review' of the class of allegation.

Thematic reviews not only consider the actions taken but more broadly consider the authority's capacity to appropriately identify and respond to the class of allegations and manage the systemic serious misconduct risks.

Outcomes from our reviews

We report on the outcomes of our reviews (including our thematic reviews) to the relevant Directors General, Commissioners and Chief Executives. For more significant matters or where there are wider lessons for the public sector, we will table our reports in the Parliament of Western Australia. We may also make recommendations aimed at strengthening authorities' integrity frameworks and management of serious misconduct risks.

► Producing reports and making recommendations – page 26



Oversight of appropriate authority actions

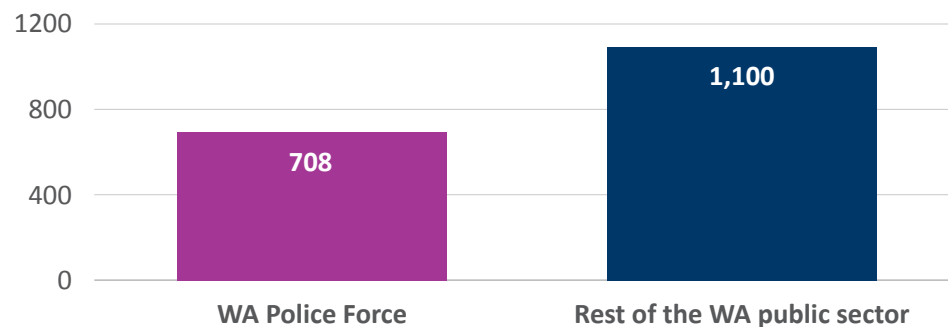
The Commission collects and analyses data from its oversight of appropriate authorities' actions in relation to allegations of serious misconduct. This data helps inform our engagement with authorities and identify any trends across the public sector.

Allegations finalised during the reporting period

During the reporting period, a total of 1,808 allegations were finalised. Finalised allegations are those where appropriate authorities have completed their actions in relation to the allegations and reported to the Commission on them. The figure below shows the number of allegations finalised during the financial year for the WA Police Force and the rest of the WA public sector.

Just under 50% of the allegations finalised by appropriate authorities during 2020-21 were referred to authorities in the current reporting period.

Figure 1: Allegations finalised – WA Police Force and the rest of the WA public sector



Since January 2020, the Commission has required appropriate authorities to nominate start and finish dates for the actions they take in response to allegations referred to them. During the reporting period, authorities took an average of 104 days⁶ to complete their actions.

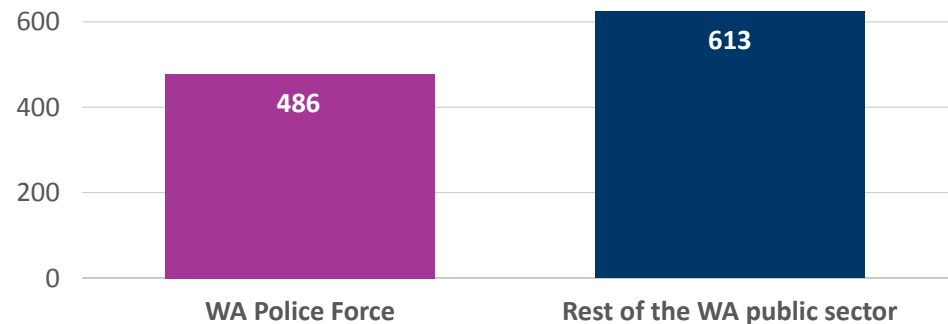
Factors such as the authority's size, capacity and data management, affect the time taken to complete action.

Allegations outstanding at the end of the reporting period

At the end of the reporting period, a total of 1,099 allegations were outstanding. Outstanding allegations are those where appropriate authorities have not yet completed, and reported to the Commission on, their actions in relation to the allegations. The figure below shows the number of allegations outstanding at the end of the financial year for the WA Police Force and the rest of the WA public sector.

Approximately 90% of outstanding allegations were referred to authorities in the current reporting period. Fewer than 10% of outstanding allegations were referred in previous financial years.

Figure 2: Allegations outstanding – WA Police Force and the rest of the WA public sector



⁶ The average duration calculation is based on the appropriate authority's-nominated start and finish dates for 'finalised allegations' that were referred to appropriate authorities from 1 January 2020.



Investigating allegations of serious misconduct

58 investigations conducted (KPI)

21 investigations completed

67% investigations completed within 12 months (KPI)

347 days on average to complete an investigation (KPI)

Each investigation contains one or more allegation from this or a previous reporting period.

► Details of key performance indicators – page 49

We investigate matters to expose and disrupt serious misconduct and enable appropriate action to be taken in response by the relevant authority. We focus our investigative resources on matters that are serious and significant and where we can have the greatest impact on improving integrity within the public sector.

Serious misconduct investigations have different degrees of complexity, raise different logistical issues and, therefore, vary in duration. Our investigations are usually active over more than one financial year.

Investigations can involve the use of some or all of the Commission's powers. Investigations may involve conducting private and/or public examinations to obtain information to advance the investigation.

► Using our investigative powers – page 37

► Conducting examinations – page 38

Overview of investigations

58 investigations conducted	31 preliminary investigations	Relating to 25 public authorities
	17 cooperative investigations	
	10 independent investigations	

Preliminary investigations

We conduct preliminary investigations into allegations to obtain enough information to make an informed decision about whether further action should be taken.

Cooperative investigations

We investigate allegations of serious misconduct in cooperation with public authorities. A cooperative investigation is usually carried out with the employing authority of the person against whom an allegation has been made or with the WA Police Force (or both). Cooperative investigations provide benefits such as sharing of information and resources, and making the investigation process more efficient. It also allows public authorities to manage their own risks during the investigation process and to take greater ownership of any outcomes.

Investigations generated from the Commission's 26 own propositions

Just under half (25) of the investigations conducted during the reporting period were generated through our own propositions about suspected serious misconduct. These investigations support our strategic focus on responding to serious misconduct risks in areas identified as a priority within the public sector.



Investigation themes

In 2020-21, all but one of our investigations related to our priority areas (strategic themes). Table 6 provides an overview of the number of Commission investigations relevant to each strategic theme.

Table 6: Number of Commission investigations in 2020-21 by strategic theme

Strategic theme	Number of investigations*
Procurement and financial management	34
Data and information	9
People at risk	8
Police misconduct	7
Policy, regulation and licensing	3
Use of force	2
Other	1

*Total may not equal the number of investigations conducted in 2020-21 (58) as an investigation can relate to more than one theme.

► Responding to risks in priority areas within the public sector – page 28

Outcomes of investigations

Reports and recommendations

We provide reports on the outcomes from our investigations to the relevant Directors General, Commissioners and Chief Executives. For more significant matters or where there are wider lessons for the public sector, we will table our reports in Parliament. We may also make recommendations to public authorities about actions they should take to address serious misconduct risks.

► Producing reports and making recommendations – page 26

⁷ Our reporting reflects disciplinary actions that we are aware of and can report publicly on.

Changes in public authority practices

Our investigations can result in public authorities making important changes to their policies and practices to strengthen their integrity frameworks and management of serious misconduct risks. In 2020-21, we evaluated the changes made by three authorities in response to serious misconduct risks exposed by our investigations from previous years.

► Evaluating public authorities' responses to our recommendations – page 27

Additionally, during the reporting period, the Salaries and Allowances Tribunal (SAT) made a new determination in relation to the provision of allowances to members of Parliament to establish appropriate accountability measures. The changes made by the SAT were informed by our ongoing investigation into the misconduct risks associated with electorate allowances for members of Parliament.

Disciplinary action against public officers

It is the responsibility of public authorities to take disciplinary action against their officers in relation to serious misconduct uncovered by our investigations. We do not have the power to take such action. The following are actions taken by public authorities against their officers during the reporting period as a result of our investigations:⁷

- The Department of Justice commenced 'loss of confidence' proceedings against three employees; disciplinary action under the *Public Sector Management Act 1994* (PSM Act) against 10 employees, including dismissing three employees after they pleaded guilty in a criminal court to corruptly falsifying official records; and improvement action under the PSM Act against a further 24 employees.
- One member of the WA Police Force was found to have committed a disciplinary offence. The officer was dealt with in accordance with s 23 of the *Police Act 1892* and received a reprimand.
- Another public authority dismissed one officer. Our investigation into this matter is ongoing.



Charges and convictions

In the course of our investigations, we may uncover evidence of criminal offending. The Commission has no power to prosecute criminal offences⁸ but it will provide material to prosecuting authorities such as the WA Police Force, the State Solicitor's Office and the Office of the Director of Public Prosecutions. Those bodies determine whether to commence a prosecution. Prosecutions arising from our investigations are an important means of discouraging serious misconduct in the public sector.

In 2020-21, the WA Police Force commenced proceedings against 14 individuals based on evidence arising out of five Commission investigations.

Table 7 summarises charges and convictions during the reporting period. In total, 77 charges were laid and three individuals were convicted. Examples of the types of offences prosecuted in 2020-21 include:

- public officer acts corruptly in performance/discharge of functions, *Criminal Code* s 409;
- property laundering, *Criminal Code* s 563A;
- disclosed restricted matter contrary to notation on summons, CCM Act s 167(3) and (2)(a);
- public officer corruptly makes false entry in a record, *Criminal Code* s 85.

Of the total charges laid, 23 related to the disclosure of a restricted matter by persons summonsed to attend before the Commission for examination, contrary to a notation on a summons and in breach of CCM Act s 167(3).

Table 7: Charges and convictions in 2020-21

Charges and convictions	Against public officers	Against non-public officers	Total
Charges laid	43	34	77
Charges pending before the courts at the end of the reporting period (includes charges laid in previous years)	641	562	1,203
Charges discontinued, dismissed or set aside	1	74	75
Individuals charged	10	4	14
Individuals convicted	3	0	3
Individuals acquitted	0	0	0

⁸ *A v Maughan* [2016] WASCA 128; (2016) 50 WAR 263.



Producing reports and making recommendations

33 reports produced (KPI)

2 recommendations made

3 reviews completed of public authorities' responses to our recommendations

► Details of key performance indicators – page 49

We aim to produce reports and make recommendations that expose corruption and assist public authorities to address and reduce the risk of serious misconduct.

Reports

Our reports detail the outcomes of our investigations and our reviews of public authorities' actions in relation to serious misconduct allegations. Our reports highlight serious misconduct risks identified by our operational activities.

We also produce reports about public authorities' responses to Commission recommendations and about other serious misconduct matters.

We provide the majority of our reports directly to the heads of public authorities for their consideration and/or action. We publish our reports publically where there are lessons of benefit to a wider audience.

In 2020-21, we:

- tabled eight reports in the Parliament of Western Australia (including our *Annual Report 2019-20*); and
- provided 25 reports directly to Directors General, Commissioners and Chief Executive Officers.

Our tabled reports are listed below and are available on our website.

1. *Review of recommendations made following reports on dangerous drugs in hospitals in Western Australia* – 17 September 2020
2. *Commission Annual Report 2019-20* – 24 September 2020
3. *Review of an investigation by Western Power into serious misconduct* – 23 September 2020
4. *Report on electorate allowances and management of electorate offices* – 26 November 2020
5. *Review of an investigation by Water Corporation into serious misconduct allegations in procurement* – 28 January 2021
6. *Review of a police use of force incident in Northbridge on 10 November 2019* – 27 May 2021
7. *Final review of the WA Police Force response to an incident in the lock up of a country town* – 17 June 2021
8. *Review of the Office of the Auditor General's response to misconduct risks with access to confidential information* – 24 June 2021

We also continued to publish our quarterly 'Overview of serious misconduct' report on our website during the reporting period.

Recommendations

Based on our assessments, investigations and other actions, we may make recommendations to a public authority about whether consideration should or should not be given to:

- taking action in relation to identified matters; or
- prosecuting or taking disciplinary action against particular persons.

During 2020-21, we made two recommendations in reports provided directly to the WA Police Force. The recommendations resulted from our review of WA Police Force actions into police misconduct. The recommendations concerned training for frontline police officers responding to, and communicating with, persons at risk of self-harm.

We will commence our evaluation of the WA Police Force's response to the recommendations during the next reporting period.



Evaluating public authorities' responses to our recommendations

We evaluate public authorities' responses to our recommendations. This ensures the authority maintains accountability and implements change to address the serious misconduct risks identified. Our recommendation review process is usually conducted one year after the recommendations are made.

Public authorities are responsible for managing their risks. We recognise there may be justifiable reasons why certain recommendations are not implemented or completed. Where we are not satisfied with a response to our recommendations, we will conduct a further review.

We publish reports on the outcomes of our recommendation reviews. Reporting can assist public authorities to rebuild public confidence by demonstrating how they have addressed the risks identified.

During 2020-21, we completed three reviews into 21 recommendations made during previous financial years. A summary of our reviews is provided below.

In summary, we considered that the actions taken by the three public authorities in respect of 19 of the 21 recommendations were adequate and the recommendations were closed. We will conduct a further review into the two remaining recommendations during the next reporting period.

We also commenced a further review into 14 recommendations made previously on the serious misconduct risks within the State's prisons. We intend to complete this review in 2021-22.

WA Health response to misconduct risks with access to dangerous drugs in hospitals

Our review confirmed that WA Health has made substantial progress in responding to significant misconduct risks surrounding the management of controlled drugs in public hospitals.

We considered that the actions taken by WA Health were adequate in addressing 17 of the 19 recommendations and these recommendations were closed. Two of the recommendations are dependent upon the implementation of a major policy review by WA Health. We will conduct a further review of these two recommendations during the next reporting period.

WA Police Force response to an incident in the lock up of a country town

Our review concluded that the WA Police Force has implemented changes to its use of force policy. These include requiring the reporting of incidents where bodily injury is identified regardless of whether medical care is provided. The changes appear to provide clearer instructions for when a use of force report is required to be submitted by officers. The policy changes address the concerns arising from the initial incident.

We considered that the actions taken by the WA Police Force were adequate and the recommendation was closed.

Office of the Auditor General's (OAG's) response to misconduct risks with access to confidential information

Our review confirmed that the OAG has made improvements to its procedures and staff awareness in relation to confidential data management.

We considered that the actions taken by the OAG were adequate and the recommendation was closed.



Responding to risks in priority areas within the public sector

We regularly analyse information and intelligence from internal and external sources to understand serious misconduct trends and emerging risks across the WA public sector. This work helps us to identify public authorities that may be more susceptible to serious misconduct risks by virtue of their functions and the environments in which they operate.

One of our operational strategies is to respond to risks in areas identified as a priority within the WA public sector. Our current priority areas (strategic themes)⁹ are:

- police misconduct;
- people at risk;
- procurement and financial management;
- data and information;
- policy, regulation and licensing; and
- use of force.

Our objective across the priority areas is to expose serious misconduct risks and influence positive change. Influencing positive change includes working with stakeholders to strengthen integrity frameworks and their management of serious misconduct risks.

We have a five-year Strategic Theme Impact Plan to plan and monitor our activities within the priority areas. The plan includes the scope and areas of focus for each strategic theme. It outlines the broad actions that we will undertake across our intelligence, investigations, oversight and engagement functions.

This approach ensures our operational activities and resources are targeted to maximise our impact on combatting serious misconduct within the public sector.

Examples of the actions we undertake across the priority areas include:

- developing intelligence products and delivering ‘focus area’ reports on particular risks that are identified. These products/reports are usually targeted at a specific authority or authorities and help to inform our activities as well as an authority’s response to the risks identified;
- undertaking intelligence-focussed investigations (based on our own propositions) to target serious misconduct in line with our strategic themes;
- conducting thematic reviews of how public authorities have dealt with allegations of serious misconduct related to particular areas of focus within the strategic themes;
- developing partnerships with authorities to strengthen investigative capacity and enhance our intelligence holdings; and
- collaborating with the Public Sector Commission and other agencies to identify capacity building opportunities.

The actions we progress during the year varies across the priority areas and depends on factors such as our focus within a theme, work conducted in previous years and available resources.

This section provides an overview of the six strategic themes and examples of our activities during the reporting period. Due to operational reasons, we cannot report on all activities undertaken during the year.

The strategic themes will continue to be a focus for the Commission in 2021-22.

⁹ We continue to identify, profile and respond to other serious misconduct risks not directly defined by these priority areas (for example, high-risk private behaviours and under-reporting of serious misconduct).



Police misconduct

Oversight of the WA Police Force continues to be a priority for the Commission. For members of the WA Police Force, all types of misconduct described in s 4 of the CCM Act, and additional conduct described as ‘reviewable police action’ are described as police misconduct. ‘Police misconduct’ is defined as serious misconduct under the CCM Act. The Commissioner of Police must notify us of all allegations of police misconduct.

The Commission has a prevention and education function in relation to police misconduct. We exercise this function in a number of ways including:

- liaising and consulting regularly with the WA Police Professional Standards Unit;
- providing feedback to the WA Police Force on the appropriateness of its actions in relation to allegations of police misconduct;
- consulting early and regularly with police personnel investigating allegations of police misconduct as part of our oversight function;
- conducting investigations, including cooperative investigations with the WA Police Force, into allegations of police misconduct;
- providing reports and recommendations to the Commissioner of Police or the Minister for Police; and
- providing briefings to new police recruits at the Western Australia Police Academy.

A summary of our oversight of police misconduct in 2020-21 is provided opposite. Police misconduct may include conduct that falls within one of the other strategic themes, such as people at risk and use of force. Additional examples of our activities in relation to the WA Police Force are provided under these themes.

Further information about police misconduct allegations and how we work collaboratively with the WA Police Force can be found in the following sections of this report:

- Overview of allegation assessment decisions – page 98
- Overview of serious misconduct allegations – page 100
- Overseeing actions taken by public authorities – page 21
- Working collaboratively with others – page 39

Summary of our oversight of police misconduct in 2020-21

3,860 allegations of police misconduct assessed

896 allegations referred to the WA Police Force for action, with Commission oversight

67 allegations referred for ‘active monitoring and review’ by the Commission

7 investigations conducted into police misconduct

7 reviews completed of the WA Police Force’s actions in relation to allegations of police misconduct

10 reports produced and two recommendations made

1 review completed into the WA Police Force’s response to a Commission recommendation

Each investigation and review contains one or more allegations from this or a previous reporting period.

Intelligence-focussed investigation (Operation Chamaeleon)

We continued to progress our intelligence-focussed (standing) investigation, Operation Chamaeleon, into serious misconduct risks associated with police misconduct. This investigation is used to proactively identify specific investigation targets related to this priority area. To date, our operational intelligence work under Operation Chamaeleon has led to the commencement of five serious misconduct investigations relating to police misconduct.



People at risk

Vulnerable persons and those experiencing disadvantage are at increased risk of being exposed to serious misconduct by public officers. At risk persons can include younger people receiving child protection services; offenders rehabilitating in corrective services; people living with physical or mental disability or illness; people from culturally and linguistically diverse backgrounds; people experiencing family and domestic violence; and those requiring public housing services. At risk persons often rely on government services to improve their quality of life. They have a right to expect that public officers will act with integrity when providing services they need and when interacting with them. People at risk may also have limited understanding, or capacity, to report serious misconduct.

Strategic intelligence assessment – WA Police Force – Strip searches

We completed an intelligence assessment of serious misconduct risks around WA Police Force strip-search practices for the period 2014-15 to 2018-19. Our analysis did not identify any strong indicators or warnings of unlawful or unreasonable strip search practices. A copy of our intelligence assessment was provided to the WA Police Force. Our observations helped police with governance of non-custodial searches, enhancement of custody management digital applications, and re-drafting policy and guidelines.

Review of WA Police Force actions in relation to allegations involving the neglect of duty for at risk persons

We finalised our review of the actions taken by the WA Police Force in respect to two separate incidents of alleged neglect by officers in responding to reports that members in the community were at risk of self-harm. Our review determined that the investigations conducted by the WA Police Force were inadequate and the conclusions reached were not open to be made on the evidence available. We made recommendations to the WA Police Force for improvements in officer training. We will review the actions of the WA Police Force in response to the recommendations after 12 months.

Operation Aquila-Bravo

We progressed our investigation into allegations that an inmate at Hakea Prison was unlawfully assaulted and that prison officers made false reports about the incident. After we received information in March 2020, the Commission moved to initiate a cooperative investigation with the Department of Justice and the WA Police Force. We held public and private examinations into the matter. As a result of the investigation, the Department of Justice commenced 'loss of confidence' proceedings against three employees; disciplinary action under the *Public Sector Management Act 1994* (PSM Act) against 10 employees, including dismissing three employees after they pleaded guilty in a criminal court to corruptly falsifying official records; and improvement action under the PSM Act against a further 24 employees. Subject to resolution of the charges by the Courts, we intend to report on the investigation in 2021-22.



Procurement and financial management

Procurement is the process by which goods and services are purchased. Public sector procurement can range from a local government employing a tradesperson for a morning to a public authority awarding a contract worth hundreds of millions of dollars. Financial management includes financial and accounting practices that lie outside of procurement. A key focus within this theme is procurement fraud.

The harm caused by corruption in procurement includes theft of public monies, inferior quality goods and services, commercial detriment to honest private sector suppliers, reputational damage, and the lowering of standards and morale in the public sector.

Intelligence-focussed investigation (Operation Auburn)

We continued to progress our intelligence-focussed (standing) investigation into serious misconduct risks associated with financial management and procurement activities across the public sector. The standing investigation is used to proactively identify specific investigation targets related to this priority area. To date, our operational intelligence work under Operation Auburn has led to the commencement of six serious misconduct investigations within this theme, one of which is Operation Taurus.

Operation Taurus

We continued our investigation into the conduct of Mr Paul Whyte, a former Assistant Director General at the Department of Communities. The cooperative investigation, involving the WA Police Force and the Department of Communities, is ongoing. Mr Whyte has been charged with more than 500 offences relating to the theft of over \$22 million. The investigation also identified suspected serious misconduct by other former officers of the Department of Communities. We held public examinations into some of these matters and recently provided the Department with a report on one aspect of the investigation. We intend to report on further matters arising from this investigation in 2021-22.

Review of an investigation by Water Corporation into serious misconduct allegations in procurement

We used our oversight function to monitor and comprehensively review Water Corporation's handling of allegations of serious misconduct in procurement. We tabled a report detailing how the Water Corporation mismanaged the purchase of water meter testing equipment from China, costing the taxpayer more than a million dollars. Proper procurement processes were not followed; there were 'unorthodox' irregularities in the tender process; known personal relationships were not flagged as a conflict of interest; early concerns regarding quality were not acted upon; and contract payments were made before milestones were achieved. Despite the mistakes, we did not form an opinion of serious misconduct against any public officers. This conclusion was consistent with a WA Police Force investigation, which did not result in criminal charges. We were satisfied that the Water Corporation's investigations into the matter were appropriate. Water Corporation tightened their procurement processes. Our report was an important reminder to the public sector of the serious consequences that can result when policy and procedures are disregarded in favour of 'getting the job done'.



Data and information

Most public authorities collect, generate, hold and distribute confidential and sensitive information. The public expects government to protect the information it holds from unauthorised use, access, modification and disclosure. A key focus within this theme is unlawful use of, or access to, a restricted access computer.

Intelligence-focussed investigation (Operation Indus)

We continued to progress our intelligence-focussed (standing) investigation into serious misconduct risks associated with the management of private information in the public sector. The standing investigation is used to proactively identify specific investigation targets within this priority area. To date, our operational intelligence work under Operation Indus has led to the commencement of two serious misconduct investigations within this theme.

Review of the Office of Auditor General's (OAG's) response to misconduct risks with access to confidential information

We evaluated the OAG's response to a recommendation we made as a result of our previous investigation.

► Evaluating public authorities' responses to our recommendations – page 27

Reviews of unlawful access and/or disclosure of information

We continued to assist agencies to build their capacity to identify, respond to and manage the serious misconduct risks associated with access to information. We finalised our reviews of the actions taken by five appropriate authorities into 11 allegations of unlawful access of information and/or disclosure of official secrets. We provided six reports to these agencies detailing the outcomes of the reviews. We also conducted a thematic review of the actions taken by another authority into allegations of unlawful access of information. We intend to report on this review in 2021-22.

Operation Corvus

We finalised our investigation into allegations that an unknown officer at the Department of Transport was unlawfully providing confidential licensing information to a private debt collector. These allegations were reported to us by South Australia Police during the previous financial year. Our investigation established that Department of Transport officers had not accessed the records in question. Further enquiries found, however, that those records had been accessed by an employee of the Tasmanian Department of Transport through the National Vehicle Database. We disclosed the allegations and relevant information to the Integrity Commission Tasmania (ICT) and closed our investigation. ICT referred the allegations to Tasmania Police which investigated and charged the employee with unauthorised access to over 1,000 confidential records. The employee was also charged with corruptly obtaining a benefit, namely payments received for accessing those records.



Policy, regulation and licensing

A significant proportion of the activities of the public sector is concerned with government regulation and licensing. It regulates vital activities such as the right to drive, to operate a business and to work in specific occupations, the buildings people live and work in, the infrastructure in cities and towns, and the medical and transport services people receive. Harm is caused when these processes are corrupted, undermining public confidence and, often, public safety.

Operation Bootes

We completed our investigation into suspected serious misconduct by an authorised vehicle examiner operating in a small regional town. Our investigation revealed that the examiner was, in some cases, not inspecting vehicles which were subsequently issued with compliance certificates. We referred the allegations to the WA Police Force for further investigation and consideration of criminal charges. The WA Police Force decided not to prosecute. We informed the Department of Transport of the outcome of our investigation. We also asked the Department for advice on the progress of its work to reduce further instances of similar conduct by vehicle examiners. The Department of Transport revoked the examiner's authority to conduct inspections.

Use of force

Some public officers are given the power to lawfully use force to do their job. The level of physical force used varies from minimal, such as putting a hand on a person to direct them, to deadly force, such as using a firearm.

We often examine whether a public officer's decision to use force was authorised and whether the type and amount of force was warranted. We also examine the training public officers receive in the use of force, policy frameworks and the management of use of force.

Thematic review – WA Police Force – excessive use of force involving police dogs

We commenced a comprehensive thematic review of how the WA Police Force manages the serious misconduct risks associated with the deployment of police dogs. The review considers: all notifications and reports made to the Commission in 2020-21 concerning use of force involving police dogs; our assessments of those notifications and reports; and the actions taken by the WA Police Force in respect of the allegations we referred to them. The review is also informed by our recent analysis of WA Police Force use of force data involving police dogs, relevant policies and procedures, associated internal governance processes and the wider misconduct risks.

Operation Pictor

We completed our investigation into an allegation that a police officer used excessive force during an arrest in Northbridge in 2019. The WA Police Force initially investigated the allegation and found that the officer had breached policy but that the force used was not excessive. We reviewed the police investigation material. As a result of concerns arising from the review, we decided to investigate the matter. Our investigation involved re-interviewing witnesses, conducting examinations and seeking expert advice from the WA Police Operational Skills Training and Tactical Unit. We concluded that the force used was excessive and formed an opinion of serious misconduct in relation to the officer involved. We tabled a report on the outcome of our investigation and the serious misconduct risks exposed by the incident.

Final review of the WA Police Force response to an incident in the lock up of a country town

We reviewed the WA Police Force's response to a Commission recommendation.

► Evaluating public authorities' responses to our recommendations – page 27



Report on operations: Identifying and confiscating unexplained wealth

41 referrals of matters received

14 self-initiated matters

13 initial investigations conducted

12 investigations conducted

\$6m in assets frozen

\$11.7m in confiscation orders

The conferral of an unexplained wealth function on the Commission in 2018 enabled us to investigate and litigate unexplained wealth and criminal benefits under the *Criminal Property Confiscation Act 2000* (CPC Act). The aim is to remove the financial incentive for criminal activity and to reduce harm to the community.

Our work to identify and target people who have accumulated wealth through unlawful means complements actions taken by other law enforcement agencies.

Under the CPC Act, the Commission may apply to the court for an unexplained wealth or criminal benefits declaration against a respondent. In relation to unexplained wealth matters, the Commission does not need to prove any connection to the commission of an offence: the onus of proof is reversed so the respondent must rebut the presumption that property has been unlawfully acquired.

When the court makes an unexplained wealth or criminal benefits declaration in response to an application by the Commission, the respondent is liable to pay to the State an amount equal to the amount specified in the declaration. Property is confiscated when it is given to, or taken by, the State in satisfaction of the respondent's liability. Property that has been frozen may be confiscated to satisfy the respondent's liability.

Once property is confiscated, arrangements are generally made with the Public Trustee to sell the property. The proceeds are paid to the Confiscation Proceeds Account administered by the Department of Justice on behalf of the Attorney General for the benefit of the State generally.

Powers available under the unexplained wealth function

The Commission may exercise powers under the CPC Act, including:

- requiring a financial institution to provide information;
- executing search warrants;
- applying to the court for freezing orders;
- applying to the court for production orders;
- applying to the court for monitoring orders (only in relation to criminal benefits);
- examining persons under oath before the Commissioner; and
- applying for unexplained wealth, criminal benefits and confiscation declarations.

We can also use our investigative powers under the CCM Act to issue notices to produce statements of information, records and other evidence. We can use information obtained under our serious misconduct function for the purpose of performing our unexplained wealth function.

► Using our investigative powers – page 37



Stakeholder engagement and unexplained wealth referrals/reports

Since receiving the unexplained wealth function, we have pursued targets and developed working relationships with key law enforcement agencies. Where relevant and permitted, we provide intelligence gathered through the investigation process to other law enforcement agencies to aid them in their investigations into criminal offending.

During 2020-21, we received 41 referrals of potential unexplained wealth matters. The referrals consisted of:

- 26 from the public;
- 14 from Western Australian public authorities; and
- one from a federal agency.

In addition to referrals received, the Commission initiated 14 unexplained wealth matters itself.

Status of unexplained wealth matters

The investigation of unexplained wealth matters is complex and lengthy. Unexplained wealth matters frequently involve considerable forensic accounting, legal and investigative capabilities within the Commission and, in some instances, have interstate and international elements.

We assess all referrals received. We may conduct an initial investigation to ascertain whether to allocate further resources to the matter. During the reporting period, we conducted initial investigations in relation to 13 matters. During 2020-21, we also conducted more extensive investigations in relation to 12 matters, 10 of which were ongoing at year-end with approximately \$6 million of property frozen.

Two matters were resolved in the Supreme Court with unexplained wealth and criminal benefits declarations totalling almost \$11.7 million and associated confiscation declarations. In summary this included:

- An unexplained wealth declaration for \$629,729.18. To satisfy this liability the Commission confiscated a Ferrari, Mazda RX-7 race car, a trailer, two Rolex watches with diamonds, and just over AUD\$90,000 in cash.
- A criminal benefits declaration in the amount of \$11,061,562.12. To satisfy this liability the Commission confiscated two Mosman Park properties, \$1.4 million of superannuation, an interest in a deceased estate (including an interest in real property) and proceeds of the sale of race horses.

Importantly, our work led to amendments to the State Superannuation Regulations 2001 to allow the confiscation of superannuation within Government Superannuation Board (GESB) member accounts under the CPC Act in certain circumstances.



Report on operations: Covert powers inspections

The Commission oversees the operation of the *Criminal Investigation (Covert Powers) Act 2012* (CICP Act). The CICP Act requires us to inspect records of controlled operations conducted by the WA Police Force, the Fisheries Department and the Australian Crime Commission.¹⁰

Controlled law enforcement operations may involve an authorised participant engaging in unlawful conduct. The CICP Act protects the participant from criminal responsibility where otherwise unlawful conduct has been authorised, and carried out, in accordance with that Act.

Each of the three bodies provides a report to the Commission on its controlled operations. We provide annual reports on each body's activities to the responsible Minister for tabling in the Parliament of Western Australia.

To fulfil our oversight role, we consider whether each body has complied with the requirements of the CICP Act Part 2. Where we identify areas of concern, feedback is provided about the issues.

Table 8 shows the controlled operation records inspected by the Commission during 2020-21.

The CICP Act permits an authorisation to be issued retrospectively. No retrospective authorities were issued to the Australian Crime Commission, the WA Police Force or the Fisheries Department during the reporting period.

Table 8: Controlled operation records inspected by the Commission in 2020-21

Law enforcement body	Controlled operation authorities*	Variation to authorities	Applications refused
WA Police Force	113	21	4
Fisheries Department	2	3	0
Australian Crime Commission	0	0	0
Total	115	24	4

*A controlled operation may involve more than one authority.

¹⁰ The Fisheries Department is defined in the CICP Act as the department principally assisting in the administration of the *Fish Resources Management Act 1994*. From 1 July 2017, the relevant department is the Department of Primary Industries and Regional Development. The Australian Crime Commission merged with CrimTrac in July 2016 to form the Australian Criminal Intelligence Commission. It retains its name for the purposes of reporting under the CICP Act.



Report on operations: Supporting our operational performance

Using our investigative powers

The Commission has significant powers of investigation.

We can request information and documents from public authorities and individuals. We can hold private and public examinations in which people are compelled to attend and answer questions. We can also enter and search public premises¹¹ without a search warrant. With a search warrant, Commission officers may search other premises, seize relevant material, intercept telephone communications and use surveillance devices. The Commission has the power to assess the honesty of public officers by conducting integrity tests. Our officers can also use assumed identities to conduct covert activities as part of investigations.

These, and other powers, are subject to strict approval processes and are closely monitored by the Western Australian Ombudsman, the Commonwealth Ombudsman and the Parliamentary Inspector. Only Federal and Supreme Court judges can issue warrants.

Investigative powers conferred by the CCM Act may also be used for the purposes of performing our unexplained wealth function.

In practice, our investigations will involve the use of some or all of our powers, depending on the type of matter under investigation. We seek to deploy the range of powers available to us in the most efficient manner which, of course, varies from investigation to investigation, and from year to year.

Table 9 provides an overview of the use of our statutory powers for this and the previous reporting period.

Table 9: Statutory powers used by the Commission

Statutory power	Number	
	2019-20	2020-21
s 94: Notices served by the Commission to produce a statement of information	15	14
s 95: Notices served by the Commission to obtain documents and other things	283	257
s 101: Search warrants issued to the Commission	6	14
s 103: Approvals for the acquisition and use of an assumed identity given by the Commission	9	15
s 121: Authorities to conduct controlled operations granted by the Commission	4	1
s 123: Authorities for integrity testing programs granted by the Commission	-	-
s 148: Warrants of apprehension issued by the Commission	-	-
Warrants and emergency authorisations issued to the Commission under the <i>Surveillance Devices Act 1998</i>	5	16
Warrants issued to the Commission under the <i>Telecommunications (Interception and Access) Act 1979</i> (Cth)	41	31

¹¹ Premises occupied or used by a public authority or public officer in that capacity.



Conducting examinations

One of the Commission's most potent investigative powers is the compulsory examination of a witness. Our examinations are not the same as a hearing conducted by a court or tribunal. The Commission does not make a finding about guilt or innocence. The purpose of an examination is to obtain information to advance an investigation.

Examinations are to be conducted in private, unless the Commissioner considers it is in the public interest for the examination to be conducted in public. The Commissioner weighs the benefits of public exposure and public awareness against the potential for prejudice or privacy infringements.

In 2020-21, we held public examinations during which we examined 18 witnesses over 10 days. The public examinations were into:

- former Department of Housing project known as the Hamilton Fly Camp;
- alleged misconduct in former Department of Housing regional project at Roebourne; and
- allegations of assault and culture of 'cover up' in Hakea prison in Western Australia.

Public examinations are streamed 'live' to the web. This gives direct access to the general public to evidence given at the examination.

We also held private examinations during which we examined 90 witnesses over 69 days. The private examinations were into both serious misconduct and unexplained wealth matters.

This was an increase for both public and private examinations from the previous reporting period, where we publicly examined six witnesses over five days and privately examined 66 witnesses over 51 days.

Changes to legislation

On 15 August 2020, the State Superannuation Amendment Regulations 2020 came into force, allowing the confiscation of superannuation of GESB members under the *Criminal Property Confiscation Act 2000* in certain circumstances. The amendments resulted from an approach by the Commission to the Attorney General. The legislative changes strengthen our position in future confiscation matters involving WA public officers.

In June 2021, the *Corruption, Crime and Misconduct Amendment Act 2021* was passed. This Act inserted a new provision into the CCM Act, s 9(4B), re-appointing the Hon John McKechnie QC as Commissioner of the Corruption and Crime Commission for a period of five years.

We also made submissions in the reporting period about the *Criminal Law (Unlawful Consorting) Bill 2020* and the review of Model Defamation Amendment Provisions 2020.



Working collaboratively with others

We regularly collaborate with the Public Sector Commission, the WA Police Force, other WA public authorities, and independent agencies and integrity bodies both locally and interstate.

We exchange information, expertise, capabilities and best-practice approaches to help combat serious misconduct and organised crime within and across jurisdictions. We work together to increase awareness and capacity, and to build a public sector that actively resists corruption.

Providing information to public authorities and agencies

An important part of our work is sharing information with public authorities and other agencies. We consult, cooperate and exchange information with agencies to ensure allegations/referrals and information concerning serious misconduct and unexplained wealth are dealt with in an appropriate way. While we cannot take action into matters outside of our jurisdiction, we may provide information to relevant authorities where appropriate. For example, we refer allegations of minor misconduct to the Public Sector Commission so it can carry out its functions and responsibilities under the CCM Act.

We may also disclose information for the purposes of prosecution or disciplinary action, or carrying out our functions under the CCM Act (including our unexplained wealth and organised crime functions).

Under s 91 of the CCM Act, we are required to report on information disclosed to independent agencies under the Act. During 2020-21, we made such disclosures to the:

- Public Sector Commissioner;
- Auditor General; and
- Inspector of Custodial Services.

These disclosures were made in relation to matters potentially concerning minor misconduct and the outcomes of our investigations.

Formalising our cooperative arrangements – Memorandums of Understanding

The Commission has formalised its cooperative arrangements with many agencies through Memorandums of Understanding (MOUs). This is particularly important where our responsibilities overlap or are complementary with those of other agencies. Our MOUs cover collaborative activities such as:

- access to, and exchange of, information and intelligence relevant to the functions of one or both agencies;
- increasing agency capacity for misconduct resistance;
- cross-agency working arrangements for internal investigations of misconduct; and
- exchange and secondment of staff.

During 2020-21, the Commission established a new Memorandum of Understanding with the Department of Treasury for the provision of financial management awareness e-learning training.

Meeting with anti-corruption agencies in other states

The Commissioner and Chief Executive meet each year with their counterparts in other anti-corruption agencies to share information and work together on common issues. Due to COVID restrictions in 2020-21, there were no opportunities to formally meet during the year.

Within our Corporate Services Directorate, regular (virtual) meetings continued with our integrity colleagues interstate to share ideas, information, industry trends and challenges within our unique operating environment.



Engaging with WA public authorities and the wider community

Public Sector Commission (PSC)

We work closely with PSC to ensure consistent, coordinated and effective misconduct management across the public sector. The Commissioners of both agencies and our Chief Executive meet regularly. Staff across both agencies also meet often regarding issuing and receiving notifications, sharing relevant information and identifying capacity building opportunities.

WA Police Force

Both agencies acknowledge that working together is important to combat organised crime, reduce the incidence of serious misconduct (including police misconduct) and disrupt criminal activity through confiscating assets and ill-gotten gains. The Commissioners of both agencies meet regularly. In addition, the Senior Officers Coordination Group meets quarterly to maintain effective working relationships and facilitate early identification, discussion and resolution of strategic and operational issues.

During 2020-21, staff from the Commission's Assessment and Strategy Development team participated in the following two visits to the WA Police Force:

- Use of force Police Academy training – to obtain some hands-on experience into when and how police apply use of force, to observe how recruits are trained to perform duties in real life scenarios and to take part in a number of educational presentations.
- WA Police Force Canine Unit – to learn more about how police dogs are deployed in an operational environment. Staff witnessed actual training scenarios to better understand the commands of police officers when utilising dogs in certain circumstances.

Additionally, as part of NAIDOC Week 2020, the Commission invited the WA Police Force's Aboriginal Affairs Division to share its journey improving relationships with Aboriginal and Torres Strait Islander peoples across Western Australia. We heard about some of the challenges police face when engaging with communities, success stories of Aboriginal and Torres Strait Islander peoples and police working alongside each other, as well as the WA Police Force's efforts to increase cultural diversity and inclusivity in the workplace.

Other public authorities

We engage with a large number of other public authorities through regular liaison meetings. These structured meetings cover a range of topics, such as particular serious misconduct matters and allegations, our notification and oversight processes, authority capacity, and current and emerging serious misconduct trends and risks.

Community engagement

We are committed to engaging with our diverse community to inform about our role and work, and to improve accessibility to our services.

During 2020-21, our Director Assessment and Strategy Development attended a forum for remote service providers as part of Ombudsman WA's Regional Awareness and Accessibility Program. The forum was an opportunity to connect with service providers in the Pilbara region and to improve awareness of our role in the Western Australian community. In 2021-22, we will join Ombudsman WA and five other agencies on their visit to the East Kimberly Region to continue to improve awareness and accessibility of the Commission to regional Western Australians.

We also continued our engagement meetings with the Aboriginal Legal Service WA (ALSWA). ALSWA is the only non-government body that we meet regularly with. These meetings facilitate communication and provide opportunities for ALSWA to raise any concerns.



Sharing resources and enhancing capabilities

Secondments and placements

We collaborate with various agencies to bring in additional resources and specialist skills to assist in our investigations of serious misconduct and unexplained wealth. These arrangements aim to benefit both agencies, and the broader public sector, by developing capabilities and knowledge, and fostering greater information sharing. During 2020-21, we facilitated the secondment/ placement of:

- two graduate officers with accounting and auditing skills from the Office of the Auditor General to assist with the investigation of unexplained wealth matters and serious misconduct investigations;
- a graduate officer from the Department of Mines, Industry Regulation and Safety to assist with serious misconduct investigations;
- staff from the Department of Transport with specialist knowledge of procurement practices to assist with a serious misconduct cooperative investigation related to contract management;
- investigators from the Department of Justice to assist with a number of cooperative investigations into serious misconduct at the Department of Justice;
- an officer from the WA Police Force with substantial experience in proceeds of crime investigations to assist in the investigation of unexplained wealth and criminal benefits matters; and
- a senior Commission officer to the Department of Communities to assist the Department in building capacity to prevent serious misconduct and corruption, and manage serious misconduct risks.

Negotiation and mediation training

In a Commission-led initiative, our lawyers (together with their counterparts from other law-enforcement and prosecuting agencies such as the WA Police Force, Office of the Director of Public Prosecutions and Australian Federal Police) completed training run by the University of Western Australia Mediation Clinic to qualify for national accreditation as mediators. The course equips our lawyers to be better negotiators, which is especially relevant to the conduct of civil proceedings in our unexplained wealth and criminal benefits functions.

Delivering presentations

During 2020-21, we delivered 16 presentations to 1,424 participants, on topics ranging from the role of the Commission and reporting of serious misconduct, professional ethics, accountability and integrity, financial crime, procurement, and serious misconduct risks in the public sector. Examples of our presentations during the year include:

- our Director of Legal Services, along with representatives from the Public Sector Commission, City of Joondalup and McLeods Solicitors, presented on integrity and ethics at the Local Government Professionals WA Better Practice Forum in September 2020; and
- our Deputy Director Investigations presented on serious misconduct risks identified in our recent investigations to over 800 attendees at the Main Roads WA, Public Transport Authority and Department of Transport Integrity Forum in November 2020.

Growing our public profile

We engage with public officers, the media and the community through an extensive range of content on our channels (website, Twitter, LinkedIn, YouTube). Our external communications, social media presence, and media coverage encourage members of the community to speak up and report suspected serious misconduct to the Commission.

During 2020-21, we developed a new Communications and Media Strategy to ensure our stakeholders and the wider community continue to have easy and timely access to good quality information about the Commission, our role and activities, and the benefits we deliver.



Recognising International Anti-Corruption Day

International Anti-Corruption Day is an occasion for the Commission to build capacity within the public sector and awareness within the broader community about serious misconduct in Western Australia. International Anti-Corruption Day is held annually on 9 December around the world under the joint leadership of the United Nations Development Programme and the United Nations Office on Drugs and Crime. The theme for 2020 was 'RECOVERY with INTEGRITY'. It was a reminder for all public sector leaders and employees to ensure good systems, processes, and controls are not over-looked whilst government delivers services during and beyond COVID-19.

To mark 2020 International Anti-Corruption Day, we developed a series of videos targeting employees within areas of the public sector that we suspect could be under-reporting allegations.

Our Chief Executive, Mr Ray Warnes, and the Commissioner of Police, Mr Chris Dawson APM, also met with police recruits to discuss misconduct risks police officers face and the Commission's role in oversighting the WA Police Force.

Enhancing our systems, processes and workforce capability

The Commission is a sophisticated agency with very talented people and access to advanced technology. We continually strive to enhance our systems, processes and workforce capability to ensure we remain contemporary and effective. Our overarching information technology, information and knowledge management, and workforce strategies guide our work in supporting organisational performance and fulfilling our statutory obligations. They ensure we are well-positioned to respond to current and future challenges and needs, and to capitalise on innovative solutions.

Information technology

We focussed on improving and supporting business agility through the implementation and adoption of industry-standard enterprise tools.

Specifically we:

- maintained contemporary technology platforms and infrastructure;
- improved and implemented tools to support a mobile workforce; and
- enhanced information integrity and security, and the platforms to support those requirements.

Information and knowledge management

We focussed on building a foundation to create a data and information-driven culture. We continued to enhance the interconnection and automation of technology systems to support effective information management.

Specifically we:

- developed a communications plan to provide structure and consistency for digital business transformation initiatives and recordkeeping compliance;
- developed a methodology for managing business requirements for intelligence solutions; and
- documented our information flow and the characteristics of our information assets.



Strategic workforce plan

We focussed on initiatives that would make a difference to the sourcing (attraction), development, retention and performance of our workforce.

Specifically we:

- developed a Learning and Development Strategy and Framework for delivering training solutions that cater for the current and future needs of our workforce;
- developed succession and coverage plans for our key roles;
- developed a detailed methodology and associated tools for surveying our employees;
- created a Diversity and Inclusion Plan outlining our commitment to developing a diverse and inclusive workforce and culture;
- enhanced our Scholarship Program to support our employees in furthering their careers; and
- explored different sourcing strategies (such as graduate and internship programs) to meet our business needs and to enhance the diversity and capabilities of our workforce.



Significant issues

This section provides a brief description of significant issues impacting the Commission's operations.

Review of unexplained wealth function

The Commission has had the power to investigate unexplained wealth since legislation to amend the *Criminal Property Confiscation Act 2000* and the CCM Act took effect in September 2018. We currently exercise this function within existing resourcing levels.

The Commission has engaged an independent reviewer to consider and report on our work during the preceding three-years. The outcome of this review will inform future decisions about continuing the unexplained wealth function and its ongoing resourcing requirements.

Increasing number of allegations being assessed

The Commission must assess every allegation of serious misconduct (including police misconduct) under the CCM Act. There is a trend of increasing allegations being assessed illustrated with 25% more allegations assessed during 2020-21 than the previous financial year. While we continue to explore opportunities for process improvement, if the level of allegations remains the same or increases, without further resources, timeliness indicators will have to be adjusted.

Review of the CCM Act

In November 2020, the Joint Standing Committee on the Corruption and Crime Commission tabled a report¹² identifying previous recommendations for legislative change made by the Parliamentary Inspector and the 39th and 40th Joint Standing Committees. The Committee noted that some recommendations have been acted upon while others have not.

In May 2021, the Commission was advised the Attorney General has instructed the Department of Justice to lead a comprehensive review of the CCM Act.

The Commission remains of the view that a new or substantially updated Act is required. Much has changed in the 17 years since the Commission's inception. Technological advances pose new challenges to detecting and disrupting serious misconduct. The CCM Act arose from recommendations of the Kennedy Royal Commission and the Act contains provisions and functions that are now redundant.

Memorandum of Understanding with Parliament

In November 2016, the Standing Committee on Procedure and Privileges recommended, amongst other things, that a Memorandum of Understanding (MOU) be developed between the Houses of the Parliament of Western Australia and the Corruption and Crime Commission to deal with documents that might be subject to a claim for Parliamentary privilege.¹³ The Commission was to be provided with a draft MOU for consideration.

Discussions regarding an MOU with the Parliament have recently recommenced.

¹² Joint Standing Committee on the Corruption and Crime Commission Report 17, *Meaningful reform overdue: The Corruption, Crime and Misconduct Act 2003*, November 2020.

¹³ Standing Committee on Procedure and Privileges Report 44, *A matter of privilege raised by Hon Sue Ellery MLC*, November 2016.



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Independent Audit Opinion



Auditor General

INDEPENDENT AUDITOR'S OPINION 2021 Corruption and Crime Commission

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Corruption and Crime Commission (Commission) which comprise:

- the Statement of Financial Position at 30 June 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Summary of Consolidated Account Appropriations for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Corruption and Crime Commission for the year ended 30 June 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Commissioner for the financial statements

The Commissioner is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Corruption and Crime Commission. The controls exercised by the Commission are those policies and procedures established by the Commissioner to ensure 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Corruption and Crime Commission are sufficiently adequate to 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 during the year ended 30 June 2021.



Independent Audit Opinion (continued)

The Commissioner's responsibilities

The Commissioner is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Basis for Qualified Opinion

I identified significant deficiencies in controls which have resulted in errors in the recording of key information used to calculate the key efficiency indicator 'Percentage of assessments completed within 28 days'. I am therefore unable to obtain sufficient appropriate audit evidence about whether this measure is fairly presented.

Qualified Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Corruption and Crime Commission for the year ended 30 June 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, except for the effects of the matter referred to in the Basis for Qualified Audit Opinion section of my report, the key performance indicators of the Corruption and Crime 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 2021.

The Commissioner's responsibilities for the key performance indicators

The Commissioner is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Commissioner determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Commissioner is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality control relating to the reports on controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Commissioner is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements and my auditor's report.

My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.



Independent Audit Opinion (continued)

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, controls and key performance indicators of the Corruption and Crime Commission for the year ended 30 June 2021 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.

Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
21 October 2021



Key Performance Indicators

Certification of Performance Indicators

For the year ended 30 June 2021

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 Corruption and Crime Commission for the financial year ended 30 June 2021.

Hon. John McKechnie, QC

COMMISSIONER

15 October 2021

Service One: Assessing all allegations of serious misconduct received

The Commission has responsibility for assessing all allegations of serious misconduct within the Western Australian public sector and ensuring they are appropriately dealt with. The purpose of the assessment process is to form an opinion whether there is a reasonable suspicion that a matter involves serious misconduct and to determine what action (if any) should be taken. The Commission considers a number of factors when assessing serious misconduct allegations, including:

- whether the allegation is within the Commission's jurisdiction;
- the nature and seriousness of the alleged serious misconduct;
- the seniority of the public officer(s) involved;
- whether there is a need for an independent investigation; and
- whether or not further information is required before an assessment decision can be made.

The Commission may seek further information during the assessment process by consulting with external agencies, individuals and/or other intelligence sources to help inform its assessment decision.



Key Performance Indicators (continued)

Service One: Assessing all allegations of serious misconduct received (continued)

EFFECTIVENESS INDICATOR					
Number of allegations received					
2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual
4,939	5,051	5,036	5,743	5,000	7,190

Background

The Commission receives notifications and reports of suspected serious misconduct from a number of different sources including members of the public, public authorities, the Police Commissioner and the Public Sector Commission. The heads of public authorities have a statutory obligation to notify the Commission of serious misconduct allegations. Each notification and report of suspected serious misconduct may contain one or more allegations.

All allegations of police misconduct — including serious misconduct, minor misconduct and reviewable police action relating to sworn officers, unsworn officers, and people seconded to the WA Police Force — are defined as serious misconduct under the *Corruption, Crime and Misconduct Act 2003* (CCM Act).

The Commission can also formulate its own propositions (allegations) about serious misconduct in the public sector. Such propositions may be based on the Commission's own experience and knowledge or from information obtained from other sources.

This key performance indicator reflects the number of serious misconduct allegations identified by the Commission from notifications and reports of serious misconduct and its own propositions.

The Commission can indirectly influence the number of notifications received by having an increased public profile, media attention, increased engagement with government agencies and increased auditing within public authorities in relation to specific issues.

Analysis

In 2020-21, the number of serious misconduct allegations identified by the Commission was higher than the target by 2,190 and higher than the prior year by 1,447. These allegations arose from 2,804 notifications in 2021 compared to 2,924 in 2020.

The higher number of allegations identified in part reflects a number of different factors. It may be due to an increased awareness and confidence in the work of the Commission, which can lead to an increase in reporting, continued liaison with public sector agencies about their reporting requirements, and the process of continuous improvement in the assessment process.

The continued growth in the overall number of allegations of serious misconduct identified by the Commission over the last five financial years is likely due to a number of factors, including:

- Commission's work in exposing and disrupting serious misconduct;
- an increase in public confidence in reporting serious misconduct;
- improved public sector agency and WA Police Force capabilities in the management of integrity risks;
- an increase in the number of public sector agency notifications;
- enhanced understanding of reportable matters; and
- the work of the Public Sector Commission and other government oversight bodies.

The growth in allegation numbers can be viewed as characteristic of a public sector (including the WA Police Force) that is increasingly maturing in its approach to, and reporting of, serious misconduct.



Key Performance Indicators (continued)

Service One: Assessing all allegations of serious misconduct received (continued)

EFFECTIVENESS INDICATOR					
Allegations as a percentage of people employed within public authorities under the Commission's jurisdiction					
2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual
2.54%	2.60%	2.57%	2.86%	2.60%	3.55%

Background

This indicator aims to reflect the percentage of corruption across the public sector. The indicator is determined by the number of allegations identified by the Commission divided by the number of public sector employees, as represented by headcount, employed across state and local government.

Analysis

The 2020-21 percentage is 3.55% and is higher than the target and 2019-20 actual result. This is largely due the higher number of allegations identified in the year.

EFFICIENCY INDICATOR					
Percentage of assessments completed within 28 days ¹⁴					
2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2019-20 Target	2020-21 Actual
n/a	n/a	55%	84%	80%	81%

¹⁴ Calculation determined using the number of notifications.

Background

It is important that an assessment decision regarding an allegation is made in a timely manner so prompt and appropriate action can be taken by the Commission or another public authority, if required.

This key performance indicator was first reported in 2018-19 following a review of the key performance indicators by the Commission. It demonstrates the efficiency of the Commission's assessment function by measuring the percentage of assessments completed within 28 days. The duration of an assessment is calculated as the time, in days (including non-business days), from when the notification or report was received to when a decision was made by the Commission on the action (if any) to be taken.

Sometimes a matter may be reopened and reassessed by the Commission after an assessment decision has been made. This usually occurs when additional information is provided by the notifier/reporter or another source. In these cases, any time spent reassessing the matter is not included in this performance indicator.

The Commission conducts a thorough assessment of matters received. Many matters assessed by the Commission have a high level of complexity, which can have an impact on the timeliness of their completion. A number of matters will require extensive further enquiries to determine whether the Commission can form a reasonable suspicion of serious misconduct, and what action the Commission will take. This can further impact on timelines.

Analysis

The 2020-21 result is marginally higher than the target and less than the 2019-20 actual result. The result is impacted by number of notifications.



Key Performance Indicators (continued)

Service One: Assessing all allegations of serious misconduct received (continued)

EFFICIENCY INDICATOR					
Average cost of assessment ¹⁵					
2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual
n/a	n/a	\$1,028	\$720	\$917	\$586

Background

This key performance indicator was first reported in 2018-19 following a review of the key performance indicators by the Commission.

The average cost of assessment is determined by the allocation of Commission direct and indirect costs divided by the number of allegations identified.

Analysis

The 2020-21 result totals \$586 and is lower than the target and the 2019-20 actual result. The low result is largely impacted by the increase in the number of allegations identified during the assessment process.

¹⁵ Calculation determined using the number of allegations.

Service Two: Investigating allegations of serious misconduct

The Commission investigates matters that are serious and significant, and where it believes it can have the most impact in improving the integrity of the public sector. The purpose of an investigation is to expose and disrupt serious misconduct and enable appropriate action to be taken in response.

Serious misconduct investigations have different degrees of complexity, raise different logistical issues and, therefore, will vary in duration. Investigations can involve the use of some or all of the Commission's powers, depending on the type of allegations under investigation. Investigations may also involve conducting private and/or public examinations to obtain information to advance the investigation.

Serious misconduct investigations can be:

- preliminary investigations;
- investigations conducted by the Commission independently; and
- investigations conducted by the Commission in cooperation with a public authority.

The Commission conducts preliminary investigations to obtain enough information to make an informed decision about whether further action should be taken. A preliminary investigation can range from gathering and analysing additional information to conducting interviews and using the powers available to the Commission.

Investigating allegations of serious misconduct in cooperation with public authorities provides a number of benefits such as sharing of information and resources, and making the investigation process more efficient. It also allows public authorities to manage their own risks during the investigation process and to take greater ownership of any outcomes.



Key Performance Indicators (continued)

Service Two: Investigating allegations of serious misconduct (continued)

EFFECTIVENESS INDICATORS					
Number of investigations					
2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual
71	62	50	59	50	58

Background

Where matters have been determined to be serious and significant, the Commission investigates them with the intention to expose and disrupt any form of serious misconduct.

The Commission conducts investigations:

- in response to serious misconduct allegations reported/notified to it;
- proactively through its own propositions about serious misconduct in the public sector (for example into priority areas of serious misconduct risk); and
- to use its powers and conduct examinations (when needed) during a review of how a public authority has responded to recommendations made by the Commission.

This key performance indicator was first reported in 2018-19 following a review of the key performance indicators by the Commission. It reflects the total number of serious misconduct investigations that were completed during, or that are still active (open) at the end of, the reporting period. Serious misconduct investigations may be active over multiple financial years before being completed. Each serious misconduct investigation can contain one or more allegations from this or previous reporting periods.

The indicator does not include unexplained wealth matters. Legislation was passed in 2018 to amend the *Criminal Property Confiscation Act 2000* and the CCM Act to grant the Commission powers to investigate, initiate and conduct civil confiscation proceedings relating to unexplained wealth and criminal benefits. The Commission is exercising this function within its current resourcing levels and will review and evaluate its performance and funding within three years from conferral.

Analysis

In 2020-21, the number of serious misconduct investigations conducted by the Commission totalled 58, this is higher than the target by 8 investigations and less than the 2019-20 actual result.

The higher number of investigations in 2020-21 as compared to the target is due to an increase in the number of self-initiated serious misconduct investigations conducted under section 26 of CCM Act.



Key Performance Indicators (continued)

Service Two: Investigating allegations of serious misconduct (continued)

EFFECTIVENESS INDICATORS

Number of reports published

2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual
8	13	45	43	40	33

Background

The Commission produces reports (under Part 5 of the CCM Act) detailing the outcome of investigations (conducted by the Commission or a public authority) and other matters. The Commission will regularly report publicly on investigations where there are lessons to be learned by a wider audience.

The purpose of these reports is to educate and inform the public sector and inform actions to address misconduct risks. Reports also enable the Parliament of Western Australia and the Western Australian community to know that significant serious misconduct allegations and issues are dealt with appropriately and transparently.

This key performance indicator reflects the total number of reports tabled in the Parliament of Western Australia or provided directly to Directors General, Commissioners and Chief Executive Officers.

Analysis

The increase in the number of reports published trend from 2017-18 to 2018-19 is due to a change in the counting rules, with the aim to more accurately reflect the range of reports the Commission produces in accordance with the CCM Act. Prior to 2017, the Commission only counted reports tabled in Parliament of Western Australia.

The 2020-21 result totalled 33 reports produced, this is 7 reports less than the target and is less than the 2019-20 actual result. The reduction in the number of reports produced is due to the more involving nature and increased complexity of investigations completed during the year.

The 2020-21 result is made up of:

- 8 reports tabled in the Parliament of Western Australia:
 1. Review of recommendations made following reports on dangerous drugs in hospitals in Western Australia – 17 September 2020
 2. Review of an investigation by Western Power into serious misconduct – 23 September 2020.
 3. Commission Annual Report 2019-20 – 24 September 2020.
 4. Report on electorate allowances and management of electorate offices – 26 November 2020.
 5. Review of an investigation by Water Corporation into serious misconduct allegations in procurement – 28 January 2021.
 6. Review of a police use of force incident in Northbridge on 10 November 2019 – 27 May 2021.
 7. Final review of the WA Police Force response to an incident in the lock up of a country town – 17 June 2021.
 8. Review of OAG response – 24 June 2021
- 25 reports provided to Directors General, Commissioners and Chief Executive Officers at the conclusion of a Commission investigation or review of a public authority's investigation into serious misconduct or related to other serious misconduct matters.

The Commission takes decisions about releasing information to the public very seriously and does so only after determining that it is in the public interest. For this reason, a large number of the reports produced by the Commission are provided directly to the heads of public authorities and not published publicly.



Key Performance Indicators (continued)

Service Two: Investigating allegations of serious misconduct (continued)

EFFICIENCY INDICATOR					
Percentage of investigations completed within 12 months					
2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual
n/a	n/a	79%	84%	80%	67%

Background

It is important that the Commission's investigations into serious misconduct are completed in a timely manner so appropriate action can be taken in response to issues and risks identified.

This key performance indicator was first reported in 2018-19 following a review of the key performance indicators by the Commission. The aim of this indicator is to demonstrate the efficiency of the Commission's investigative function by measuring the percentage of investigations completed within 12 months.

This indicator aims to measure the timeliness of the investigations function by determining the percentage of investigations completed within the reporting period.

Analysis

The 2020-21 result is less than the target and the 2019-20 actual result due to the more involving nature and increased complexity of investigations completed during the year.

EFFICIENCY INDICATOR

Average time (days) to complete an investigation into serious misconduct

2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual
n/a	n/a	309	241	350	347

Background

This key performance indicator was first reported in 2018-19 following a review of the key performance indicators by the Commission. They aim to demonstrate the efficiency of the Commission's investigative function by measuring the average time (in days) to complete an investigation.

This indicator is based on serious misconduct investigations completed during the reporting period. The duration of an investigation is recorded as the time (in days) taken from when it is authorised to when either a report is published on its outcome or a decision is made by the delegated authority to close the investigation. With each investigation being different, it can bring a different degree of complexity and logistical issues which can vary the duration of the investigation.

Analysis

The 2020-21 result totals 347 days which aligns closely to the target and higher than the 2019-20 actual result due to the more involving nature and increased complexity of investigations completed during the year.



Certification of Financial Statements

For the reporting period ended 30 June 2021

The accompanying financial statements of the Corruption and Crime Commission 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 ended 30 June 2021 and the financial position as at 30 June 2021.

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.

Hon. John McKechnie, QC
COMMISSIONER
15 October 2021

Mathew Squires
CHIEF FINANCE OFFICER
15 October 2021

Statement of Comprehensive Income

For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1.1	18,181	17,963
Supplies and services	2.2	4,972	4,905
Depreciation and amortisation expense	4.1.1, 4.2.1	1,564	1,708
Finance costs	6.2	9	15
Accommodation expenses	2.2	2,395	2,405
Other expenses	2.2	806	1,018
Total cost of services		27,927	28,014
Income			
Revenue			
Other revenue	3.2	153	265
Total revenue		153	265
Gains			
(Loss)/gain on disposal of non-current assets	3.3	(15)	(2)
Total gains		(15)	(2)
Total income other than income from State Government		138	263
NET COST OF SERVICES			
		27,789	27,751
Income from State Government			
Service appropriation	3.1	27,384	26,975
Services received free of charge	3.1	414	25
Total income from State Government		27,798	27,000
SURPLUS FOR THE PERIOD		9	(751)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		9	(751)

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

Statement of Financial Position

As at 30 June 2021

	Notes	2021	2020
		\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	6.3	9,427	8,997
Receivables	5.1	247	319
Amounts receivable for services	5.2	1,300	1,300
Other current assets	5.3	1,209	935
Total current assets		12,183	11,551
Non-current assets			
Restricted cash and cash equivalents	6.3	326	260
Receivables	5.1	146	145
Amounts receivable for services	5.2	15,543	15,410
Plant and equipment	4.1	2,519	2,832
Intangible assets	4.2	334	223
Right-of-use assets	4.3	564	374
Total non-current assets		19,432	19,244
TOTAL ASSETS		31,615	30,795

Statement of Financial Position (continued)

	Notes	2021 \$'000	2020 \$'000
LIABILITIES			
Current liabilities			
Payables	5.4	557	604
Lease liabilities	6.1	213	274
Employee benefits provisions	2.1.2	3,280	3,204
Total current liabilities		4,050	4,082
Non-current liabilities			
Lease liabilities	6.1	357	126
Employee benefits provisions	2.1.2	1,325	956
Total non-current liabilities		1,682	1,082
TOTAL LIABILITIES		5,732	5,164
NET ASSETS		25,883	25,631
EQUITY			
	8.7		
Contributed equity		12,709	12,466
Accumulated surplus		13,174	13,165
TOTAL EQUITY		25,883	25,631

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2021

	Notes	Contributed equity \$'000	Accumulated surplus/ (deficit) \$'000	Total equity \$'000
Balance at 1 July 2019	8.7	12,225	13,916	26,141
Surplus/(deficit)		-	(751)	(751)
Total comprehensive income for the period		-	(751)	(751)
Transactions with owners in their capacity as owners:				
Capital appropriations		241	-	241
Total		241	-	241
Balance at 30 June 2020		12,466	13,165	25,631
Balance at 1 July 2020	8.7	12,466	13,165	25,631
Surplus/(deficit)		-	9	9
Total comprehensive income for the period		-	9	9
Transactions with owners in their capacity as owners:				
Capital appropriations		243	-	243
Total		243	-	243
Balance at 30 June 2021		12,709	13,174	25,883

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



Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		25,951	25,742
Capital appropriation		243	241
Holding account drawdown		1,300	1,300
Net cash provided by State Government		27,494	27,283
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employees benefits		(17,695)	(17,508)
Supplies and services		(4,918)	(5,234)
Finance costs		(9)	(15)
Accommodation		(2,395)	(2,344)
GST payments on purchases		(898)	(907)
Other payments		(808)	(1,194)
Receipts			
GST receipts from services		12	14
GST receipts from taxation authority		889	859
Other receipts		221	383
Net cash used in operating activities		(25,601)	(25,946)

Statement of Cash Flows (continued)

	Note	2021 \$'000	2020 \$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(1,197)	(912)
Receipts			
Proceeds from sale of non-current physical assets		44	1
Net cash used in investing activities		(1,153)	(911)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(244)	(256)
Net cash used in financing activities		(244)	(256)
Net increase/(decrease) in cash and cash equivalents		496	170
Cash and cash equivalents at the beginning of the period		9,257	9,087
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.3	9,753	9,257

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



Summary of Consolidated Account Appropriations

For the year ended 30 June 2021

	2021				
	Budget estimate	Supplementary funding	Revised budget	Actual	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000
Delivery of services					
Item 68 Net amount appropriated to deliver services	26,882		26,882	26,882	-
Amount Authorised by Other Statutes					
- <i>Corruption, Crime and Misconduct Act 2003</i>	502		502	502	-
Total appropriations provided to deliver services	27,384	-	27,384	27,384	-
Capital					
Item 132 Capital appropriations	243		243	243	-
GRANT TOTAL	27,627	-	27,627	27,627	-



Notes to the Financial Statements

1. Basis of preparation

The Commission is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Commission is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 15 October 2021.

Statement of compliance

- These general purpose financial statements have been prepared in accordance with:
- The *Financial Management Act 2006* (FMA)
- The Treasurer's Instructions (the Instructions or TI)
- Australian Accounting Standards (AAS) reduced disclosure requirements
- Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note.

All values are rounded to the nearest thousand dollars (\$'000).

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

The AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated as contributions by owners (at the time of, or prior, to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

Notes to the Financial Statements (continued)

2. Use of our funding

2.1 Expenses incurred in the delivery of services

This section provides additional information about how the Commission's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Commission in achieving its objectives and the relevant notes are:

	Notes	2021 \$'000	2020 \$'000
Employee benefits expenses	2.1.1	18,181	17,963
Employee benefits provisions	2.1.2	4,605	4,160
Other expenses	2.2	8,173	8,328

2.1.1 Employee benefits expenses

	2021 \$'000	2020 \$'000
Employee benefits	16,553	16,352
Superannuation – defined contribution plans	1,628	1,611
Employee benefits expenses	18,181	17,963
Add: AASB 16 Non-monetary benefits	23	31
Less: Employee Contributions	(16)	(15)
Net employee benefits	18,188	17,979

Employee benefits: Includes wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds.

AASB 16 Non-monetary benefits: Non-monetary employee benefits, that are employee benefits expenses, relate to the provision of Vehicle benefits measured at the cost incurred by the Commission.

Employee Contributions: this line item includes contributions made to the Commission by employees towards employee benefits that have been provided by the Commission. This includes both AASB-16 and non-AASB 16 employee contributions.

Notes to the Financial Statements (continued)

2.1.2 Employee benefits provisions

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2021	2020
	\$'000	\$'000
CURRENT		
Employee benefits provisions		
Annual leave ^(a)	1,429	1,373
Long service leave ^(b)	1,541	1,781
Personal leave ^(c)	266	-
Deferred salary scheme ^(d)	17	22
	3,253	3,176
Other provisions		
Employment on-costs ^(e)	27	28
	27	28
Total current employee benefits provisions	3,280	3,204
NON-CURRENT		
Employee benefits provisions		
Long service leave ^(b)	1,313	947
	1,313	947
Other provisions		
Employment on-costs ^(e)	12	9
	12	9
Total non-current employee benefits provisions	1,325	956
Total employee benefits provisions	4,605	4,160

(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) **Long service leave liabilities:** 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 end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as **non-current** liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Commission does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(c) **Personal leave:** Recognition of accumulated non-vesting personal leave balances that are expected to be carryover into the next financial year and drawn upon when staff take leave entitlements in excess of the current year entitlement.

The provision for personal leave is calculated at the present value of expected leave payments to be made in relation to excess personal leave taken from prior year accumulated balances under AASB 119.



Notes to the Financial Statements (continued)

2.1.2 Employee benefits provisions (continued)

- (d) **Deferred salary scheme liabilities:** Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.
- (e) **Employment on-costs:** 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.
- 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, Note 2.2 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Commission's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2021	2020
	\$'000	\$'000
Employment on-cost provision		
Carrying amount at start of period	37	34
Additional provisions recognised	28	5
Payments/other sacrifices of economic benefits	(26)	(2)
Carrying amount at end of period	39	37

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Commission's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

Notes to the Financial Statements (continued)

2.2 Other expenses

	2021	2020
	\$'000	\$'000
Supplies and services		
Communications	517	362
Consultants and contractors	3,252	3,422
Resources received free of charge	395	-
Motor vehicle expenses	79	67
Legal expenses	229	246
Publications and printing	5	3
Consumables	259	269
Minor plant and equipment	231	483
Travel	5	53
Total supplies and services expenses	4,972	4,905
Accommodation expenses		
Lease expense	1,540	1,493
Building outgoings	411	408
Parking	128	126
Cleaning	108	98
Electricity and water	125	158
Repairs and maintenance	83	122
Total accommodation expenses	2,395	2,405

	2021	2020
	\$'000	\$'000
Other expenditures		
Equipment repairs and maintenance	27	19
Employment on-costs	602	817
Audit fees	171	169
Other expenses	6	13
Total other expenditures	806	1,018
Total other expenses	8,173	8,328

Supplies and services: Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Resources received free of charge includes the recognition of employees engaged at the Commission from other state government agencies to assist with Commission investigations.

Accommodation expenses: Lease expenses relate to payments made to Department of Finance for the Commission's head office. Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

Other expenditure: Other operating expenses generally represent the other day-to-day running costs incurred in normal operations. These include:

Equipment Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

Employee on-cost includes workers' compensation insurance and other employment on-costs. The on costs liability associated with the recognition of annual and long service leave liabilities is included at Note 2.1.2 Employee benefit provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Notes to the Financial Statements (continued)

3. Our funding sources

How we obtain our funding

This section provides additional information about how the Commission obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Commission and the relevant notes are:

	Notes	2021	2020
		\$'000	\$'000
Income from State Government	3.1	27,798	27,000
Other revenue	3.2	153	265
(Losses)/gains	3.3	(15)	(2)

3.1 Income from State Government

	2021	2020
	\$'000	\$'000
Appropriation received during the period:		
Service appropriation ^(a)	27,384	26,975
Total appropriations received	27,384	26,975
Services received free of charge from other State government agencies during the period ^(b) :		
Building Management and Works	12	13
State Solicitors Office	7	12
Placements	395	-
Total services received	414	25
Total income from State Government	27,798	27,000

(a) **Service Appropriations:** are recognised as revenues at fair value of consideration received 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 in the bank account or credited to the holding account held at Treasury.

(b) **Services received free of charge from other State government agencies:** are recognised as income (and assets or expenses) equivalent to the fair value of the assets, or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

Notes to the Financial Statements (continued)

3.2 Other revenue

	2021	2020
	\$'000	\$'000
Other revenue	137	250
Contributions to government vehicle scheme	16	15
Total other revenue	153	265

3.3 (Loss)/gain on disposal of non-current assets

	2021	2020
	\$'000	\$'000
Net proceeds from disposal of non-current assets		
Operations equipment and motor vehicles	(15)	1
Carrying amount of non-current assets disposed		
Operations equipment and motor vehicles	-	(3)
Total other income	(15)	(2)

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

4. Key assets

Assets the Commission utilises for economic benefit or service potential

This section includes information regarding the key assets the Commission utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

		2021	2020
	Notes	\$'000	\$'000
Plant and equipment	4.1	2,519	2,832
Intangibles	4.2	334	223
Right-of-use assets	4.3	564	374
Total assets		3,417	3,429

Notes to the Financial Statements (continued)

4.1 Plant and equipment

	Office equipment	Computer equipment	Operations equipment vehicles	Leasehold improvements	Works in progress	Total
1 July 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount	110	6,742	3,862	1,620	39	12,373
Accumulated depreciation	(72)	(5,626)	(3,569)	(274)	-	(9,541)
Carrying amount at start of period	38	1,116	293	1,346	39	2,832
Additions	192	605	110	16	(39)	884
Disposals	-	-	-	-	-	-
Depreciation	(28)	(889)	(169)	(111)	-	(1,197)
Carrying amount at 30 June 2021	202	832	234	1,251	-	2,519
Gross carrying amount	302	7,171	3,972	1,637	-	13,082
Accumulated depreciation	(100)	(6,339)	(3,738)	(386)	-	(10,563)

Initial recognition

Items of plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Notes to the Financial Statements (continued)

4.1.1 Depreciation and impairment charge for the period

Depreciation	Notes	2021	2020
		\$'000	\$'000
Office equipment	4.1	28	10
Computer equipment	4.1	889	1,014
Operations equipment and motor vehicles	4.1	169	166
Leasehold improvements	4.1	111	113
Right-of-use assets	4.3	224	282
Total depreciation for this period		1,421	1,585

As at 30 June 2021 there were no indications of impairment to plant and equipment. All surplus assets at 30 June 2021 have either been classified as assets held for sale or have been written-off.

Finite useful lives

All plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include items under operating leases and assets held for sale.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Leasehold Improvements	10 - 15 years or remaining period of lease
Computer Equipment	3 - 5 years
Operations Equipment	3 - 5 years
Office Equipment	3 - 5 years
Motor Vehicles	5 years
Software ^(a)	3 years

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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 recognized.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss. If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's



Notes to the Financial Statements (continued)

4.1.1 Depreciation and impairment charge for the period (continued)

carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, 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 the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

The Commission shall measure the right-of-use assets at cost less any accumulated depreciation and any accumulated impairment losses. The agency shall apply AASB 136 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

4.2 Intangible assets

	Computer software	Total
Year ended 30 June 2021	\$'000	\$'000
1 July 2020		
Gross carrying amount	1,712	1,712
Accumulated amortisation	(1,489)	(1,489)
Carrying amount at start of period	223	223
Additions	313	313
Disposals	(59)	(59)
Amortisation expense	(143)	(143)
Carrying amount at end of period	334	334

Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset, and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefit;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets at a minimum of \$5,000 that comply with the recognition criteria as per AASB 138.57 (as noted above) are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income. Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

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



Notes to the Financial Statements (continued)

4.2.1 Amortisation and impairment charge for the period

	2021	2020
Amortisation	\$'000	\$'000
Software	143	123
Total amortisation for the period	143	123

As at 30 June 2021 there were no indications of impairment to intangible assets.

The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Commission have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Software ^(a)	3 - 5 years
Website costs	3 - 5 years

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

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

Computer Software

Software that is an integral part of the related hardware is recognised as part of the tangible asset. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

4.3 Right-of-use assets

	2021	2020
Right-of-use assets	\$'000	\$'000
Accommodation	413	167
Motor vehicles	151	207
Total right-of-use assets net carrying amount	564	374

Additions to right-of-use assets during the 2021 financial year were \$497,467 (2020: \$28,150).

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

The Commission has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.



Notes to the Financial Statements (continued)

4.3 Right-of-use assets (continued)

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1.

The following amounts relating to leases have been recognised in the Statement of Comprehensive Income:

	2021	2020
	\$'000	\$'000
Accommodation	138	182
Motor vehicles	86	100
Total right-of-use assets depreciation	224	282
Lease interest expense (included in Finance Cost)	9	15

The total cash outflow for leases in 2021 was \$253,000 (2020: \$270,000).

The Commission has leases for vehicles and office accommodation.

The Commission has also entered into a Memorandum of Understanding Agreements (MOU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

The Commission recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.1.

5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Commission's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2021	2020
		\$'000	\$'000
Receivables	5.1	393	464
Amounts receivable for services (Holding Account)	5.2	16,843	16,710
Other assets	5.3	1,209	935
Payables	5.4	557	604

5.1 Receivables

	2021	2020
	\$'000	\$'000
Current		
Trade receivables	94	163
Goods and Services Tax (GST) receivable	153	156
Total current	247	319
Non-Current		
Trade receivables	146	145
Total non-current	146	145
Total receivables	393	464

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Notes to the Financial Statements (continued)

5.2 Amounts receivable for services (Holding Account)

	2021	2020
	\$'000	\$'000
Current	1,300	1,300
Non-current	15,543	15,410
Balance at end of period	16,843	16,710

Amounts receivable for services: Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the holding accounts).

5.3 Other assets

	2021	2020
	\$'000	\$'000
Current		
Prepayments	1,209	935
Total current	1,209	935

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

5.4 Payables

	2021	2020
	\$'000	\$'000
Current		
Trade payables	131	154
Accrued salaries	300	259
Accrued expenses	126	191
Total current	557	604

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 settlement is generally within 30 days.

Accrued salaries: Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

Notes to the Financial Statements (continued)

6. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Commission:

	Notes	2021	2020
		\$'000	\$'000
Lease liabilities	6.1	570	400
Finance costs	6.2	9	15
Cash and cash equivalents	6.3	9,753	9,257

6.1 Lease liabilities

	2021	2020
	\$'000	\$'000
Current	213	274
Non-current	357	126
Balance at end of period	570	400

Initial measurement

The Commission measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Commission uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Commission as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the agency exercising an option to terminate the lease.

The interest on the lease liability is recognised in the Statement of Comprehensive Income over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the Commission if the lease is reasonably certain to be extended (or not terminated).

This section should be read in conjunction with note 4.3

Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.



Notes to the Financial Statements (continued)

6.2 Finance costs

	2021	2020
	\$'000	\$'000
Lease interest expense	9	15
Finance costs expensed	9	15

'Finance cost' includes the interest component of lease liability repayments.

6.3 Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Cash and cash equivalents	9,427	8,997
Restricted cash and cash equivalents ^(a)	326	260
Balance at end of period	9,753	9,257

(a) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

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

The accrued salaries suspense account consists of amounts paid annually, from Commission appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

7. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Commission:

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2021	2020
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	9,427	8,997
Restricted cash and cash equivalents	326	260
Financial assets at amortised cost ^(a)	17,083	17,018
Total financial assets	26,836	26,275
Financial liabilities		
Financial liabilities measured at amortised cost ^(b)	557	604
Total financial liabilities	557	604

(a) The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(b) The amount of financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).



Notes to the Financial Statements (continued)

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.2.1 Contingent assets

The Commission has no contingent assets.

7.2.2 Contingent liabilities

The Commission has no contingent liabilities.

8. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Key Management personnel	8.2
Related party transactions	8.3
Affiliated bodies	8.4
Related bodies	8.5
Remuneration of auditors	8.6
Equity	8.7
Supplementary financial information	8.8
Explanatory statement	8.9

8.1 Events occurring after the end of the reporting period

There have been no material events occurring after 30 June 2021.



Notes to the Financial Statements (continued)

8.2 Key management personnel

The Commission has determined that key management personnel include cabinet ministers and senior officers of the Commission. The Commission does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for the Commissioner, Acting Commissioner and senior officers of the Commission for the reporting period are presented within the following bands:

Compensation of members of the accountable authority		
\$	2021	2020
570,001 - 580,000	-	1
300,001 - 400,000	1	-
80,001 - 90,000	-	1
10,001 - 20,000	1	-
Compensation of senior officers		
\$	2021	2020
430,001 - 440,000	-	1
420,001 - 430,000	1	-
280,001 - 290,000	-	1
270,001 - 280,000	1	-
210,001 - 220,000	-	1
200,001 - 210,000	1	-
190,001 - 200,000	1	1
180,001 - 190,000	1	-
140,001 - 150,000	-	1
0 - 10,000	-	1

	2021	2020
	\$'000	\$'000
Short-term employee benefits	1,460	1,619
Post-employment benefits	138	125
Other long-term benefits	24	196
Total compensation of senior officers	1,622	1,940

Compensation of senior officers

Total compensation includes the superannuation expense incurred by the Commission in respect of members of senior officers and the accountable authority. In the Commission, members of the accountable authority are the Commissioner and Acting Commissioners as appointed under the *Corruption, Crime and Misconduct Act 2003*.



Notes to the Financial Statements (continued)

8.3 Related party transactions

The Commission is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Commission include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Material transactions with Government-related entities

In conducting its activities, the Commission is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- Income from State Government (Note 3.1);
- Equity contributions (Note 8.8);
- Superannuation payments to GESB (Note 2.1.1);
- Lease rentals payments to the Department of Finance (State Fleet) (Note 2.2) and related outstanding balances; and
- Remuneration for services provided by the Auditor General (note 8.7).

Significant transaction with other related entities

Outside of normal citizen type transactions with the Commission, there were no related party transactions that involved key management personnel and their close family members and/or their controlled (or jointly controlled) entities.

8.4 Affiliated bodies

The Commission had no affiliated bodies during the financial year.

8.5 Related bodies

The Commission had no related bodies during the financial year.

8.6 Remuneration of auditors

Remuneration payable to the Auditor General in respect to the audit for the current financial year is as follows:

	2021	2020
	\$'000	\$'000
Auditing the accounts, financial statements, controls and key performance indicators	45	49

Notes to the Financial Statements (continued)

8.7 Equity

	2021	2020
	\$'000	\$'000
CONTRIBUTED EQUITY		
Balance at start of period	12,466	12,225
Contributions by owners		
Capital appropriation	243	241
Total contribution by owners	243	241
Balance at end of period	12,709	12,466
ACCUMULATED SURPLUS		
Balance at start of period	13,165	13,916
Result for the period	9	(751)
Balance at end of period	13,174	13,165
Total Equity at end of period	25,883	25,631

8.8 Supplementary financial information

	2021	2020
	\$'000	\$'000
Write-offs		
During the financial year, nil (2020: \$nil) was written off the Commission's asset register under the authority of:		
The accountable authority	-	-
	-	-
Losses through theft, defaults and other causes		
Losses of public moneys and, public and other property through theft or default	-	-
Amounts recovered	-	-
	-	-
Gifts of public property		
Gifts of public property provided by the Commission	-	-
	-	-



Notes to the Financial Statements (continued)

8.9 Explanatory statement

All variances between annual estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances which are greater than 10% and 1% of Total Cost of Services budgeted for the Statements of Comprehensive Income and Statement of Cash Flows (i.e. 1% of \$27,741,000), and are greater than 10% and 1% of Total Assets for the previous year for the Statement of Financial Position (i.e. 1% of \$30,795,000).

	Variance	Original budget 2021	Actual 2021	Actual 2020	Variance between budget and actual	Variance between actual results for 2021 and 2020
Statement of Comprehensive Income	note	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES						
Employee benefits expense		19,070	18,181	17,963	(889)	218
Supplies and services	1	4,192	4,972	4,905	780	67
Depreciation and amortisation expense		1,433	1,564	1,708	131	(144)
Finance costs		20	9	15	(11)	(6)
Accommodation expenses		2,466	2,395	2,405	(71)	(10)
Other expenses		560	806	1,018	246	(212)
Total cost of services		27,741	27,927	28,014	186	(87)

Notes to the Financial Statements (continued)

8.9 Explanatory statement (continued)

	Variance	Original budget 2021	Actual 2021	Actual 2020	Variance between budget and actual	Variance between actual results for 2021 and 2020
Statement of Comprehensive Income	note	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME						
Revenue						
Other revenue		40	153	265	113	(112)
Total revenue		40	153	265	113	(112)
Gains						
Gain on disposal of non-current assets		-	(15)	(2)	(15)	(13)
Total gains		-	(15)	(2)	(15)	(13)
Total income other than income from State Government		40	138	263	98	(125)
NET COST OF SERVICES		27,701	27,789	27,751	88	38
Income from State Government						
Service appropriation		27,384	27,384	26,975	-	409
Services received free of charge	2, A	75	414	25	339	389
Total income from State Government		27,459	27,798	27,000	339	798
SURPLUS/(DEFICIT) FOR THE PERIOD		(242)	9	(751)	251	760
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(242)	9	(751)	251	760



Notes to the Financial Statements (continued)

8.9 Explanatory statement (continued)

	Variance	Original budget 2021	Actual 2021	Actual 2020	Variance between budget and actual	Variance between actual results for 2021 and 2020
Statement of Financial Position	note	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Current assets						
Cash and cash equivalents		8,755	9,427	8,997	672	430
Receivables		319	247	319	(72)	(72)
Amounts receivable for services		1,300	1,300	1,300	-	-
Other current assets	3	794	1,209	935	415	274
Total current assets		11,168	12,183	11,551	1,015	632
Non-current assets						
Restricted cash and cash equivalents		325	326	260	1	66
Receivables		145	146	145	1	1
Amounts receivable for services		15,543	15,543	15,410	-	133
Property, plant and equipment	B	2,814	2,519	2,832	(295)	(313)
Intangible assets		408	334	223	(74)	111
Right-of-use assets		592	564	374	(28)	190
Total non-current assets		19,827	19,432	19,244	(395)	188
TOTAL ASSETS		30,995	31,615	30,795	620	820

Notes to the Financial Statements (continued)

8.9 Explanatory statement (continued)

	Variance	Original budget 2021	Actual 2021	Actual 2020	Variance between budget and actual	Variance between actual results for 2021 and 2020
Statement of Financial Position	note	\$'000	\$'000	\$'000	\$'000	\$'000
LIABILITIES						
Current liabilities						
Payables		255	557	604	302	(47)
Lease liabilities		241	213	274	(28)	(61)
Provisions		3,556	3,280	3,204	(276)	76
Total current liabilities		4,052	4,050	4,082	(2)	(32)
Non-current liabilities						
Lease liabilities		357	357	126	-	231
Provisions	4, C	955	1,325	956	370	369
Total non-current liabilities		1,312	1,682	1,082	370	600
TOTAL LIABILITIES		5,364	5,732	5,164	368	568
NET ASSETS		25,631	25,883	25,631	252	252
EQUITY						
Contributed equity		13,808	12,709	12,466	(1,099)	243
Accumulated surplus/(deficit)		11,823	13,174	13,165	1,351	9
TOTAL EQUITY		25,631	25,883	25,631	252	252

Notes to the Financial Statements (continued)

8.9 Explanatory statement (continued)

	Variance	Original budget 2021	Actual 2021	Actual 2020	Variance between budget and actual	Variance between actual results for 2021 and 2020
Statement of Cash Flows	note	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		25,951	25,951	25,742	-	209
Capital appropriation		243	243	241	-	2
Holding account drawdown		1,300	1,300	1,300	-	-
Net cash provided by State Government		27,494	27,494	27,283	-	211
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employees benefits		(19,010)	(17,695)	(17,508)	1,315	(187)
Supplies and services	5	(4,184)	(4,918)	(5,234)	(734)	316
Finance costs		(20)	(9)	(15)	11	6
Accommodation		(2,466)	(2,395)	(2,344)	71	(51)
GST payments on purchases		(1,112)	(898)	(907)	214	9
Other payments	6, D	(493)	(808)	(1,194)	(315)	386
Receipts						
GST receipts on sales			12	14	12	(2)
GST receipts from taxation authority		1,116	889	859	(227)	30
Other receipts		40	221	383	181	(162)
Net cash used in operating activities		(26,129)	(25,601)	(25,946)	528	345



Notes to the Financial Statements (continued)

8.9 Explanatory statement (continued)

	Variance	Original budget 2021	Actual 2021	Actual 2020	Variance between budget and actual	Variance between actual results for 2021 and 2020
Statement of Cash Flows	note	\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOW FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current physical assets	E	(1,300)	(1,197)	(912)	103	(285)
Receipts						
Proceeds from sale of non-current physical assets			44	1	44	43
Net cash used in investing activities		(1,300)	(1,153)	(911)	147	(242)
CASH FLOW FROM FINANCING ACTIVITIES						
Payments						
Principal elements of lease payments		(243)	(244)	(256)	(1)	12
Net cash used in financing activities		(243)	(244)	(256)	(1)	12
Net increase/(decrease) in cash and cash equivalents		(178)	496	170	674	326
Cash and cash equivalents at the beginning of the period		9,258	9,257	9,087	(1)	170
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		9,080	9,753	9,257	673	496

The 'Original Budget 2021' presented in this explanatory statement (note 8.10) is the budget appropriated to the Commission as part of the 2020-21 Budget process and contained in the 2020-21 Budget Papers. It does not incorporate adjustments made to the Commission's appropriation throughout the 2020-21 financial year.



Notes to the Financial Statements (continued)

8.9 Explanatory statement (continued)

Major variance narratives

Variances between estimate and actual

Statement of Comprehensive Income

- Supplies and services were higher than the budget by \$0.8 million (19%) mainly due to the additional recognition of resources free of charge received from other state government agencies. These related to the placement of other public service employees within the Commission to support operational activities.
- Service received free of charge income were higher than the budget by \$0.3 million (452%) mainly due to the additional recognition of resources free of charge received from other state government agencies. These related to the placement of other public service employees within the Commission to support operational activities.

Statement of Financial Position

- Other current assets were higher than budget by \$0.4 million (52%) mainly due to increased number of prepayments.
- Non-current provisions were higher than the budget by \$0.4 million (39%) mainly due to changing composition of employee benefits leave provisions with increasing conditional long service leave that is not expected to be taken (or unable to be taken) by employees within the next twelve months.

Statement of Cash Flows

- Supplies and services payments were higher than the budget by \$0.7 million (18%) mainly due to increasing information and technology maintenance and support costs for business system that support the Commission's activities.
- Other payments were higher than budget by \$0.3 million (64%) mainly due the Commission's ongoing investment in training and development activities for its staff.

Variance between actual results for 2021 and 2020

Statement of Comprehensive Income

- Service received free of charge income were higher than the prior year by \$0.4 million mainly due to the additional recognition of resources free of charge received from other state government agencies. These related to the placement of other public service employees within the Commission to support operational activities.

Statement of Financial Position

- Property, plant and equipment have lower than the prior year by \$0.3 million (11%) mainly due to the replacement of equipment occurring at a slower rate to the equipment's depreciation. The Commission's asset investment program has been reduced in recent years (from \$1.7 million to \$1.3 million) to reflect increased utilisation of hosted managed services rather than purchase of computer hardware.
- Non-current provisions were higher than the prior year by \$0.4 million (39%) mainly due to changing composition of employee benefits leave provisions with increasing conditional long service leave that is not expected to be taken (or unable to be taken) by employees within the next twelve months.

Statement of Cash Flows

- Other payments were lower than the prior year by \$0.4 million (32%) mainly due to prior year workers compensation insurance payments.
- Purchase of non-current physical assets higher than budget \$0.3 million (31%) mainly due to the Commission's increasing investment to managing its Asset Investment Program.



Other financial disclosures

Capital works

The Commission's Asset Investment Program funding for 2020-21 totals \$1.3 million.

The year-end position was underspent by \$0.1 million. The underspend largely relates to information technology systems.

Capital works during 2020-21 included:

- Operations Support Equipment (\$0.5 million)
- Office and Security Equipment (\$0.1 million)
- Technology and Business Support Systems (\$0.6 million)

Employment and industrial relations

Summary of employee numbers

The CCM Act s 179 provides that Commission officers may be appointed for a period up to five years and are eligible for re-appointment.¹⁶ Table 10 shows our full-time equivalent (FTE) allocation by category for the reporting period.

Table 10: FTE allocation by category

Employment category	FTE	
	2019-20	2020-21
Full-time contract	110.0	105.0
Part-time contract measured on an FTE basis	12.1	9.2
On secondment to the Commission	5.0	2.0
Total	127.1	116.2

Source data: 2020-21 MOIR data.

Notes

- Part time = hours less than full-time hours of 37.5 per week.
- On secondment = employees from another agency who are on secondment at, and are paid by, the Commission.
- Approved FTE level for 2020-21 is 125.

¹⁶ The Commission is not a 'Senior Executive Service Organisation' as described in the *Public Sector Management Act 1994*.



Employee wellbeing

During 2020-21, we continued our commitment to mental health and wellbeing support to employees.

Our Employee Assistance Program (EAP) provider delivers a holistic, integrated and preventative wellbeing program. The program provides professional counselling, employee assistance coaching, wellbeing coaching, a manager's 'hotline', recruitment and selection psychological testing, an annual influenza vaccination program, use of force medical assessments, ergonomic assessments, regular wellbeing check-ins for employees in high-risk positions, and critical incident response and debriefing. The EAP is available 24 hours a day, seven days a week to employees and their family members. The service is complemented by an online wellness hub containing resources on a range of health and wellbeing-related topics.

Mental health continues to be a key component of the Commission's overall employee wellbeing program. During the reporting period, we continued our partnership with Lifeline to provide training to relevant employees in managing the risks associated with vicarious trauma.

The Commission's management of employee safety and wellbeing during the Coronavirus pandemic is outlined in the occupational safety, health and injury management section of this report.

► Occupational safety, health and injury management – page 96

Employee development

The Commission is committed to developing a contemporary and accountable workforce with the necessary skills, knowledge and aptitudes to deliver on organisational outcomes now and into the future. We support our workforce through a broad range of learning and development opportunities underpinned by our Capability and Leadership Framework and our Learning and Development Strategy.

Employees work with their managers through our Performance Planning and Review process to identify their development needs in line with organisational and role requirements, and their career goals.

Our Scholarship Program is a key component of employee development. The program proactively targets employee development in areas of identified business need and/or areas of strategic importance. The program supports and recognises employees who make a commitment to career development through formal study and learning. In 2020-21, the Commission awarded five scholarships to support employees in their studies towards the following qualifications: Graduate Certificate in Intelligence Analysis; Graduate Diploma of Applied Corporate Governance and Risk; Master of Business Administration; and Master of Data Science.

Other learning and development activities undertaken during 2020-21 included:

- **Technical/Role specific training** such as computer forensics, data analysis and modelling, and systems training; and
- **Compliance training** such as Use of Force, Occupational Health and Safety training, continuing professional development for legal staff and Certified Practising Accountant maintenance.



Review of Corruption and Crime Commission Industrial Agreement 2013

During 2020-21, the Commission continued the review of its industrial agreement in consultation with the Government Sector Labour Relations division of the Department of Mines, Industry Regulation and Safety. In December 2018, the Commission became a named respondent to the Government Officers' Salaries, Allowances and Conditions General Award 1989.

The Commission's industrial agreement has historically been a stand-alone agreement but the replacement agreement will become a satellite agreement to the Public Service and Government Officers' CSA General Agreement 2021. Where possible, it will rely upon the whole-of-sector provisions and model clauses. The unique conditions that are relevant to Commission employees will be retained with no erosion of benefits. At year-end, negotiations were continuing and are expected to be finalised during the next reporting period.

Workers' compensation

There were three new workers' compensation claims during the reporting period, two were finalised during the period and one is ongoing at year-end.

Unauthorised use of credit cards

In compliance with Treasurer's Instruction 321 'Credit cards – authorised use', the Commission is required to report where a Western Australian Government Purchasing Card ('credit card') is used for personal use. Personal use of a Commission credit card in the 2020-21 reporting period is detailed in Table 11.

Table 11: Personal use of Commission credit card

Personal use	Cost (\$)
Aggregate amount of personal use expenditure for the reporting period	52.60
Aggregate amount of personal use expenditure settled by the due date (within five working days)	52.60
Aggregate amount of personal use expenditure settled after the period (after five working days)	-
Aggregate amount of personal use expenditure outstanding at the balance date	-

Commission employees hold Commission credit cards where their functions warrant use of this facility. Cardholders are reminded of their obligations under the Commission's credit card policy, however; three employees inadvertently used their credit cards for personal use during the reporting period. The Chief Finance Officer did not refer the matters for disciplinary action as the amounts were settled promptly, the nature of the expenditure was immaterial and the transactions were characteristic of an honest mistake.



Governance disclosures

Contracts with senior officers

As at 30 June 2021, there were no matters to report in respect of senior officers of the Commission concerning any interests they may have in firms, entities or other bodies that do business with the Commission.

Board and committee remuneration

The only position that received remuneration for committee membership in 2020-21 was the Independent Chair of the Risk and Audit Committee.

Table 12: Board and committee remuneration in 2020-21

Position	Name	Period of membership in 2020-21	Type of appointment and remuneration	Gross/actual remuneration for 2020-21 (\$)*
Chair	Des Pearson	12 months	Fixed-term appointment. Hourly fee basis.	9,100

*GST exclusive.

Other legal requirements

Expenditure on advertising, market research, polling and direct mail

In compliance with the *Electoral Act 1907* s 175ZE, the Commission is required to report on expenditure incurred in relation to advertising agencies and marketing research, polling (surveys), direct mail and media advertising organisations. Table 13 details expenditure (inclusive of GST) incurred in relation to those matters in 2020-21, which totalled \$21,355.

Table 13: Advertising, market research, polling and direct mail expenditure

Expenditure	Entity	Amount (\$)	Total (\$)
Advertising	Linked In	17,190	21,355
	Initiative Media	4,165	
Market research	-	-	-
Polling	-	-	-
Direct mail	-	-	-
Media advertising	-	-	-
Total expenditure			21,355



Compliance with public sector standards and ethical codes

Public sector standards

During 2020-21, the Commission received one breach of standard claim against the Public Sector Standards in Human Resource Management. The finding from the assessment of this claim was that the standard had not been breached.

There were no formal disciplinary processes conducted and the Commission received no formal grievances during the reporting period.

WA Public Sector Code of Ethics and the Commission's Code of Conduct

The Commission's Code of Conduct is regularly reviewed to ensure alignment with the Public Sector Commissioner's Guidelines (specifically *Commissioner's Instructions No 7 Code of Ethics and No 8 Codes of Conduct and Integrity Training*), the Commission's Strategic Plan 2019-24, and its policies and procedures. All employees read and sign a declaration of commitment to the Code of Conduct upon commencement of employment at the Commission.

Employees also participate annually in Accountable and Ethical Decision-Making (AEDM) training. The Commission regularly reviews this training module to ensure alignment with the Code of Conduct and related policies. In 2020-21, we achieved an 89.7% completion rate for the AEDM online training module. This represents all employees, staff on placement/secondment at the Commission and some contractors who were required to complete the training.

Recordkeeping plans

In compliance with s 19 of the *State Records Act 2000* and with State Records Commission Standard 2, Principle 6, the Commission has an approved Recordkeeping Plan. In 2020-21, as part of the work arising from our current Recordkeeping Plan, we completed a number of procedural updates (including a digitisation standard and Information Security Classification manual) and a review of our Retention and Disposal Schedule.

Evaluation of recordkeeping systems

During the reporting period, we improved the performance of the Electronic Document and Records Management System (EDRMS), Objective, by initiating new, and fine-tuning existing, workflows. We conducted a data integrity review of reporting from our Case Management Intelligence System, Jade Investigator, to ensure accuracy and efficiency. We also initiated a new steering group to provide an appropriate governance framework for digital business transformation initiatives and recordkeeping compliance.

Recordkeeping training

All employees receive recordkeeping training, which involves comprises group presentations, online awareness modules, ad-hoc workshops and one-to-one training.

All employees attend a mandatory recordkeeping briefing as part of their induction, which addresses individual roles and responsibilities in regard to compliance with the Recordkeeping Plan. Employees must also attend EDRMS basics training, and complete and pass an online recordkeeping compliance and awareness module annually.

In 2020-21:

- we achieved a 98% completion rate for the online recordkeeping module. This represents all employees, staff on placement/secondment at the Commission and some contractors who were required to complete the training;
- 44 employees attended face-to-face, one-to-one Objective training; and
- 16 employees attended face-to-face, group workflow training and information sessions.



CCM Act reporting requirements

Our annual reporting requirements under s 91(2) of the CCM Act are addressed throughout this report. Table 14 provides the page reference for information relating to these reporting requirements.

Table 14: Report reference for CCM Act reporting requirements

CCM Act reporting requirement relating to:	Reference
Allegations received or initiated by the Commission – (s 91(2)(a))	▶ pp 98-102
Investigations carried out by the Commission – (s 91(2)(b))	▶ pp 23-25
Evaluation of the response of appropriate authorities to recommendations made by the Commission – (s 91(2)(c))	▶ p 27
Information furnished under the Act by the Commission to independent agencies – (s 91(2)(d))	▶ p 39
Prosecutions of public officers or other persons or disciplinary action against public officers as a result of Commission investigations – (s 91(2)(e))	▶ pp 24-25
Number of exceptional powers findings made under s 46 – (s 91(2)(f)) (not reported elsewhere in the report)	0*
Number of fortification warning notices issued by the Commission under s 68 – (s 91(2)(g)) (not reported elsewhere in the report)	0*
Use of investigative powers (notices, assumed identities, controlled operations, integrity testing programmes, warrants) – (ss 91(2)(h)-(p))	▶ p 37
Activities in relation to prevention and education function – (s 91(2)(i))	▶ p 29
Recommendations for changes in the laws of the State – (s 91(2)(j))	▶ p 38
Activities in relation to unexplained wealth function – (s 91(2)(k))	▶ p 34

* The approval of the use of exceptional powers and the issuing of Fortification Warning Notices both depend on an application made by the Commissioner of Police. To maintain impartiality and independence, the Commission does not assist in the application process.

Government policy requirements

Western Australian Multicultural Policy Framework (WAMPF)

During 2020-21, we developed our Diversity and Inclusion Plan 2021-23. The objective of our plan is to develop a diverse and inclusive workforce and culture that supports our purpose of exposing and disrupting serious misconduct, corruption and organised crime. Our plan is intended to address our requirement to have a Multicultural Plan in place under the WAMPF. It includes actions aimed at all diversity groups, including people from culturally and linguistically diverse backgrounds. We have submitted our plan to the Minister for Citizenship and Multicultural Interests for review. Implementation of actions in our plan is underway.



Occupational safety, health and injury management

The Commission is committed to providing a safe working environment in accordance with the *Occupational Safety and Health Act 1984*. The Commission's Executive leads this commitment.

We have an Occupational Safety and Health (OSH) Policy that is available to our employees. Employees receive training regarding their OSH obligations as part of their induction, with managers receiving additional training on their managerial OSH responsibilities. Employees are required to repeat this training annually.

Our Occupational Safety and Health Planning Advisory Group (OSHPAG) coordinates and monitors the OSH program and ensures consultation on OSH-related matters. OSHPAG reports to the Commission Executive and is chaired by a senior employee. It includes a member of the Executive and a representative from each directorate. OSHPAG meets quarterly and when required to address specific OSH-related matters. Safety inspections of the workplace are conducted monthly. Each Commission OSH representative has undertaken WorkSafe-accredited training.

Ongoing monitoring and review is intrinsic to managing OSH matters and reflects the Commission Executive's commitment to continuous improvement. During the previous reporting period, the Commission conducted a full review of its OSH management framework in collaboration with an accredited external subject matter expert. Following on from this review, in 2020-21, the Commission developed and implemented a new OSH Management System.

The Coronavirus pandemic continues to deliver a challenging and dynamic environment for managing OSH. Our OSH infrastructure has enabled us to respond effectively. Hygiene supplies and services, and PPE stocks are maintained. Dedicated response personnel are identified and specific communication pathways established. Risk assessments have been conducted and control measures expedited. Working-from-home arrangements are in place to respond to prescribed restrictions. A contact tracing process has been established in accordance with Department of Health requirements.

Injury management

We are committed to providing injury management support to all workers who sustain a work-related injury or illness. The focus is on a safe and early return to meaningful work, in accordance with the *Workers' Compensation and Injury Management Act 1981*. Table 15, shows our performance against targets specified in the *Public Sector Commissioner's Circular 2018-03: Code of Practice Occupational Safety and Health in the Western Australian public sector*.

Table 15: Occupational safety and health incidents

Measures	Actual results			Targets
	2018-19	2019-20	2020-21	
Number of fatalities	-	-	-	0
Lost time injury and disease incidence rate (per 100)	-	0.75	0.83	0 or 10% reduction in incidence rate
Lost time injury and disease severity rate (per 100)	-	-	-	0 or 10% reduction in severity rate
Percentage of injured workers returned to work				
(i) within 13 weeks	N/A	100%	0%	Greater than or equal to 80%
(ii) within 26 weeks	N/A	100%	N/A	Greater than or equal to 80%
Percentage of managers trained in occupational safety, health and injury management responsibilities (including refresher training within three years)	100%	93%	100%	Greater than or equal to 80%



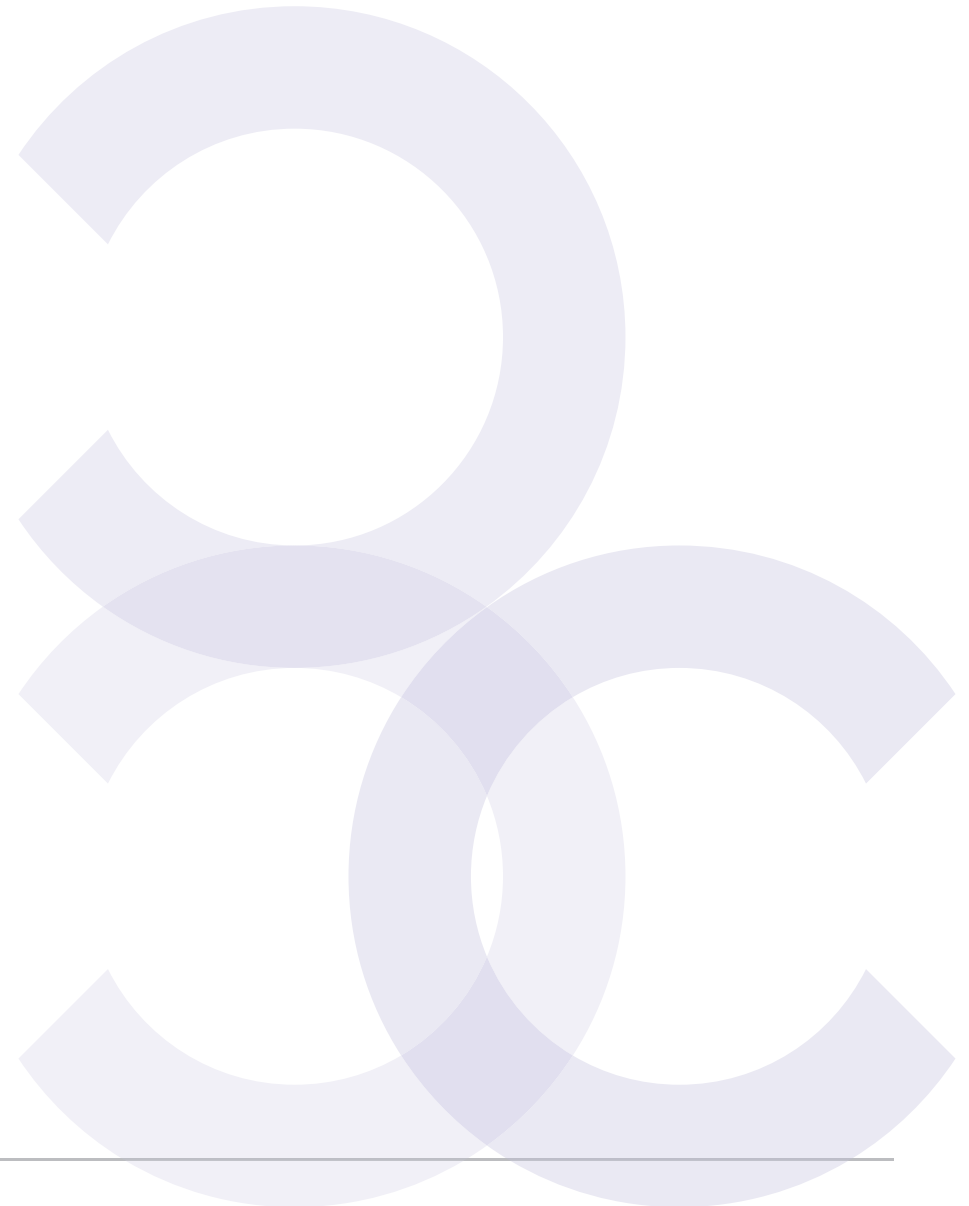
Appendices

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Appendix Two

Overview of serious misconduct allegations	100
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Appendix One – Overview of allegation assessment decisions

Tables 16 and 17 provide an overview of the assessment decisions for allegations assessed during this and the previous reporting period, broken down by the WA Police Force and the rest of the WA public sector.

A small number of the allegations assessed during these years (167 in 2019-20 and 286 in 2020-21) related to agencies outside of the WA public sector. We do not have jurisdiction to take action in respect of these allegations but we may share information about them with other authorities where appropriate. These allegations are not included in the tables.

During 2020-21, we introduced changes to our assessment reporting process to include an option of 'Out of jurisdiction' for allegation assessment decisions. This includes allegations where, for example, the alleged conduct did not meet serious misconduct thresholds. In previous years, these decisions were categorised as 'Take no further action' under CCM Act s 33(1)(d).

As shown in table 16, during 2020-21, there was a significant increase in the number of police misconduct allegations referred to the WA Police Force for action with monitoring and review by the Commission (from 12 in 2019-2020 to 67 in 2020-2021). This, in part, reflects our focus on overseeing how the WA Police Force takes action regarding police misconduct allegations relating to our thematic reviews. The Commission also continued its proactive approach in relation to police misconduct through its intelligence-focussed investigations.

► Details of our oversight role in relation to police misconduct – page 29

Table 16: WA Police Force – allegation assessment decisions

Assessment decision	2019-20		2020-21	
	No.	%	No.	%
Out of jurisdiction	n/a	n/a	55	1.4%
Take no further action – s 33(1)(d)	2,480	80.0%	2,894	75.0%
Refer to an appropriate authority (AA) or independent agency (IA) for action – s 33(1)(c)	612	19.7%	896	23.2%
- Refer to AA – monitor for outcome	600	19.4%	829	21.5%
- Refer to AA – monitor for review	12	0.4%	67	1.7%
Commission to investigate (independently or in cooperation with another public authority)	4	0.1%	-	-
- In cooperation with a public authority – s 33(1)(b)	-	-	-	-
- Independently – s 33(1)(a)	4	0.1%	-	-
Pending the outcome of a Commission preliminary investigation – s 32(2)	3	0.1%	7	0.2%
Pending a decision by the Commission's Operations Committee	-	-	8	0.2%
Total	3,099	100%	3,860	100%

Percentages in the tables may not total 100% due to rounding.

**Table 17: Rest of the WA public sector – allegation assessment decisions**

Assessment decision	2019-20		2020-21	
	No.	%	No.	%
Out of jurisdiction	n/a	n/a	225	5.8%
Take no further action – s 33(1)(d)	1,507	60.8%	1,746	57.4%
Refer to an appropriate authority (AA) or independent agency (IA) for action – s 33(1)(c)	838	33.8%	964	31.7%
- Refer to AA – monitor for outcome	798	32.2%	888	29.2%
- Refer to AA – monitor for review	38	1.5%	75	2.5%
- Refer to IA	2	0.1%	1	0.03%
Commission to investigate (independently or in cooperation with another public authority)	95	3.8%	47	1.5%
- In cooperation with a public authority – s 33(1)(b)	61	2.5%	26	0.9%
- Independently – s 33(1)(a)	34	1.4%	21	0.7%
Pending the outcome of a Commission preliminary investigation – s 32(2)	33	1.3%	53	1.7%
Pending a decision by the Commission's Operations Committee	4	0.2%	9	0.3%
Total	2,477¹⁷	100%	3,044	100%

Approximately 1-2% of allegations assessed relating to the rest of the WA public sector, concerned minor misconduct. We do not have jurisdiction to take action in relation to these matters and disclose the allegations to the Public Sector Commission for its consideration.

¹⁷ The total allegations relating to the rest of the WA public sector was incorrectly reported in the corresponding table in our Annual Report 2019-20 as 2,473.



Appendix Two – Overview of serious misconduct allegations

This overview has been updated for 2020-21 to align with the format of our quarterly 'Overview of serious misconduct' report published on our website. The statistical data are accurate as at the time of extraction. Percentages in the tables may not total 100 due to rounding.

2,972 notifications/ reports received	7,190 allegations assessed	Relating to 154 public authorities¹⁸
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Source of allegations

Table 18 shows the source for all allegations assessed in 2020-21, compared to the previous reporting period. For 2020-21, the source of allegations can be further broken down as follows.

Of the 7,190 allegations, 3,860 allegations related to police misconduct, with just over 60% of these allegations coming from notifications from the WA Police Force (s 28), just under 40% coming from members of the public (s 25), and less than 1% arising from referrals from the Public Sector Commission (s 45) or from the Commission's own propositions (s 26).

In comparison, for the remaining 3,330 allegations in 2020-21, just over 50% came from reports from members of the public (s 25), 40% came from notifying authorities (s 28), approximately 7% related to referrals from the Public Sector Commission (s 45) and less than 1% arose from the Commission's own propositions. These distributions are similar to those in the previous reporting period.

Table 18: Source of allegations assessed

Allegation source	2019-20		2020-21	
	No.	%	No.	%
Certain officers obliged to notify serious misconduct (s 28)	2,992	52.1%	3,748	52.1%
Any person may report serious misconduct (s 25)	2,580	44.9%	3,202	44.5%
Public Sector Commission referrals (s 45M(d))	129	2.3%	233	3.2%
Commission's own propositions (s 26)	42	0.7%	7	0.1%
Total	5,743	100%	7,190	100%

¹⁸ This number includes 88 local governments.



Public authority/sector

The distribution of allegations across public authorities and sectors has largely remained proportionately similar for the last two reporting periods.

Table 19: Public authority/sector for allegations assessed¹⁹

Public authority/sector	2019-20		2020-21	
	No.	%	No.	%
WA Police Force	3,099	54.0%	3,860	53.7%
Local government authorities	439	7.6%	569	7.9%
Department of Justice	364	6.3%	563	7.8%
Independent agencies/ other authorities	380	6.6%	469	6.5%
Department of Education	227	4.0%	448	6.2%
WA Health sector	596	10.4%	401	5.6%
Subject agency not within jurisdiction	167	2.9%	286	4.0%
Department of Communities	234	4.1%	269	3.7%
Transport portfolio	135	2.4%	184	2.6%
Tertiary education sector	102	1.8%	141	2.0%
Total	5,743	100%	7,190	100%

All police misconduct is reportable to the Commission. 'Police misconduct' includes conduct of sworn and un-sworn members of the WA Police Force, and contractors performing functions and services for, or duties in service of, the WA Police Force.

Allegations of police misconduct consistently accounts for just over half of all allegations assessed by the Commission.

The **Independent agencies/other authorities** category contains allegations relating to all other agencies and authorities including but not limited to Government utilities, Ports, Treasury and Finance.

The **WA Health sector** refers to the Department of Health, the Mental Health Commission and the following Health Service Providers (HSPs): North Metropolitan Health Service; South Metropolitan Health Service; East Metropolitan Health Service; WA Country Health Service; Child and Adolescent Health Service; Health Support Services; PathWest Laboratory Medicine WA; and the Quadriplegic Centre.

The **Transport portfolio** refers to the Department of Transport, Main Roads WA and Public Transport Authority.

The **Tertiary education sector** refers to the four public universities (Curtin University, Edith Cowan University, Murdoch University and the University of Western Australia) and five TAFE colleges (North and South Metropolitan TAFE and North, Central and South Regional TAFE).

¹⁹ In our *Annual Report 2019-20*, allegations for the 'Tertiary education sector' and 'Transport portfolio' were reported under the category of 'Independent agencies/other authorities'.



Top five allegation categories²⁰

WA Police Force

The top five allegation categories for the WA Police Force are similar to the previous reporting period. The only change in 2020-21, is that 'Unprofessional conduct' is now ranked as the second highest category with 'Breach of procedure or policy' third. In 2019-20, this order was reversed. The top five categories for the past two financial years have accounted for approximately three-quarters of all police misconduct allegations.

Examples are provided of the types of behaviours/conduct within each category.

1. Neglect of duty – 751 allegations (19.5%)

- Failed to investigate a complaint
- Refused to take a report

2. Unprofessional conduct – 742 allegations (19.2%)

- Made offensive comments
- Posted inappropriate material online

3. Breach of procedure or policy – 615 allegations (15.9%)

- Failed to activate Body Worn Camera
- Breach of emergency driving policy by failing to activate lights

4. Assault – 486 allegations (12.6%)

- Used excessive force against person in making an arrest

5. Benefit/Detriment – 225 allegations (5.8%)

- Used position to benefit family and friends with employment
- Used position to interfere with criminal investigations

Rest of the WA public sector

The top five allegation categories for the rest of the WA public sector are identical to the previous reporting period, though not in order. These categories account for almost two-thirds (61.9%) of all public sector allegations (excluding allegations of police misconduct) assessed in 2020-21. The top five categories reflect those behaviours and activities commonly associated with serious misconduct and corruption across the public sector, such as causing benefit/detriment, fraud, and unlawful access of data and information held in computer systems.

Examples are provided of the types of behaviours/conduct within each category.

1. Benefit/Detriment – 812 allegations (26.7%)

- Used their position to benefit a friend/family member
- Used their position to circumvent procurement processes

2. Fraud/Falsification – 356 allegations (11.7%)

- Fraudulently charged for services not rendered
- Claimed leave entitlements they were not entitled to

3. Assault – 271 allegations (8.9%)

- Made unnecessary physical contact with a student
- Used excessive force against a prisoner

4. Unlawful use of computer – 244 allegations (8.0%)

- Logged onto a computer using colleague's account
- Accessed database to view patient record with no authority

5. Corrupt conduct – 200 allegations (6.6%)

- Covered up complaints
- Attempted to bribe

²⁰ Allegations assessed as falling outside of the Commission's jurisdiction, are not included within the allegation categories.

Key terms

The following are simple explanations of key terms used throughout this report. These terms are defined further in the CCM Act, or other relevant legislation.

Appropriate authority is a public authority with the power to take investigatory or other action (or both) in response to misconduct.

Independent agency means the Auditor General, Director of Public Prosecutions, Public Sector Commissioner, Parliamentary Commissioner (more commonly known as the Ombudsman) and the Inspector of Custodial Services.

Public authorities include Western Australian State Government departments, the WA Police Force, local governments, tertiary bodies, port authorities and some boards.

Public officers include all public sector employees, police officers, prison officers (including privately operated prisons), members of parliament, members of government boards and committees, local government elected officials and employees, employees of public universities, employees of public utilities and some volunteers.

Senior public officers include chief executives, senior executives, commissioned police officers, and superintendents and officers who hold senior roles and work within Corrective Services in the Department of Justice.

Serious misconduct. The definition of 'serious misconduct' for the police is different from the definition for 'public officers' generally. For the police, serious misconduct includes all misconduct described in CCM Act s 4, not just misconduct falling within paragraphs 4(a) to (c). Serious misconduct also includes conduct described as 'reviewable police action'. This definition applies to sworn and an unsworn officers, employees of the Police Department and persons seconded to the WA Police Force.

For all other public officers, 'serious misconduct' refers only to corrupt or criminal conduct described in CCM Act s 4(a) to (c), which occurs when a public officer:

- acts corruptly or corruptly fails to act in the course of their duties; or
- corruptly takes advantage of their position for the benefit or detriment of him or herself or any person; or
- commits an offence, while acting or purporting to act in his or her official capacity, which carries a penalty of two or more years imprisonment.

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