CORRUPTION AND CRIME COMMISSION

ANNUAL REPORT 2016

CORRUPTION AND CRIME COMMISSION

Corruption and Crime Commission

Postal Address	PO Box 7667 Cloisters Square PERTH WA 6850
Telephone	(08) 9215 4888 1800 809 000 (Toll Free for callers outside the Perth metropolitan area)
Facsimile	(08) 9215 4884
Website	www.ccc.wa.gov.au
Email	info@ccc.wa.gov.au
Office Hours	8.30 a.m. to 5.00 p.m., Monday to Friday

National Relay Service TTY: 133 677 or visit www.relayservice.com.au for assistance to people with hearing and voice impairment.

Translating and Interpreting Service: 13 14 50 for assistance to people whose preferred language is not English.

© 2016 Copyright in this work is held by the Corruption and Crime Commission ('the Commission'). Division 3 of the *Copyright Act 1968* (Cwlth) recognises that limited further use of this material can occur for the purposes of 'fair dealing', for example, study, research or criticism. Should you wish to make use of this material other than as permitted by the *Copyright Act 1968* please write to the Commission at the postal address above.

This report and further information about the Commission can be found on the Commission Website at www.ccc.wa.gov.au.

ISSN: 1832-9713

Corruption and Crime Commission

Hon Barry House MLC
President of the Legislative Council
Parliament House
Harvest Terrace
PERTH WA 6000

Hon Michael Sutherland
Speaker of the Legislative Assembly
Parliament House
Harvest Terrace
PERTH WA 6000

Dear Mr President
Dear Mr Speaker

In accordance with the *Corruption, Crime and Misconduct Act 2003* s 91(4) I am pleased to present the Corruption and Crime Commission Annual Report 2015-2016.

This report has been prepared in accordance with the CCM Act s 91 and the *Financial Management Act 2006* s 61(1).

Yours sincerely

Hon. John McKechnie, QC
COMMISSIONER

22 September 2016

HIGHLIGHTS

2,244 Notifications received

4,024 Allegations assessed:

86% assessed on receipt of report in an average of 19 days (see pg. 15)

1,891 Allegations assessed as requiring action:

94% were referred back to the appropriate agency for investigation (see pg. 27)

79 Investigations conducted

34 Preliminary investigations (see pg. 17)

29 Commission investigations (see pg. 29)

16 Cooperative investigations (see pg. 34)

6 Cooperative investigations conducted with Western Australia Police (see pg. **34**)

32 Recommendations made to public authorities (see pg. 46)

9 Reports produced (see pg. 46)

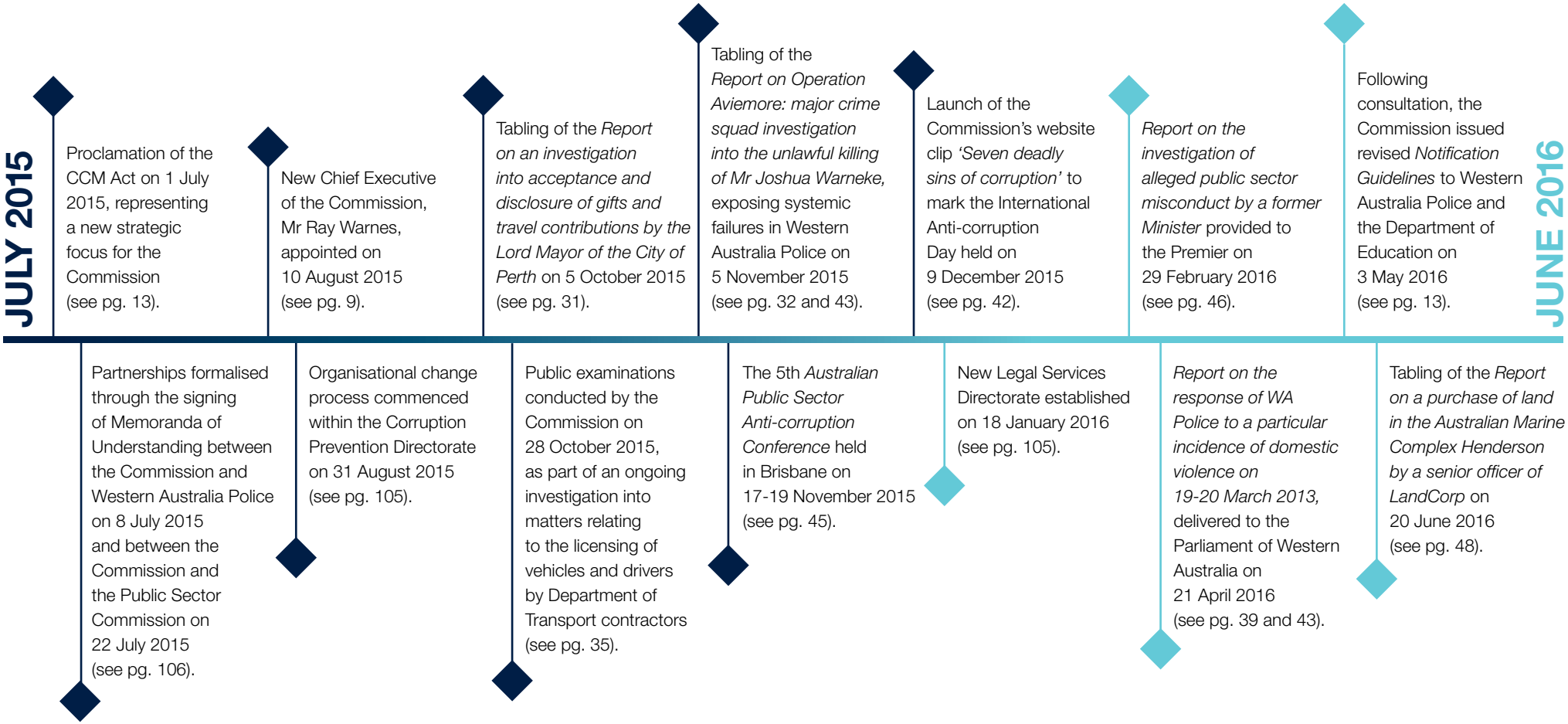
Capacity building activities (see pg. 41):

36 Events

1,969 Participants

11 Joint sessions with the Public Sector Commission

HIGHLIGHTS continued



CONTENTS

Commission overview

An overview of the Commission, its structure, senior officers and a summary of the Commission's performance against government goals and financial targets during 2015-16.
Page 6

Profile of misconduct

The profile of reported misconduct in Western Australia and the roles of the Commission, the Public Sector Commission and public authorities in identifying and dealing with misconduct.
Page 13

Responding to misconduct

How the Commission deals with allegations of serious misconduct and the role Commission investigations have in preventing and combating corruption and serious misconduct.
Page 25

Building capacity

The collaborative role that the Commission plays in building integrity across the public sector and reducing the incidence of misconduct.
Page 41

Managing our finances and performance

Financial statements, disclosures and key performance indicators.
Page 49

Our organisational governance and people

A summary of the Commission's performance in meeting its organisational governance requirements, significant issues and employee snapshot.
Page 105

Appendices and Index

Appendix A: Other key legislation.
Page 112

Appendix B: Statutory powers used by the Commission.
Page 113

Appendix C: List of Commission investigations 2015-16.
Page 114

Index
Page 119

COMMISSIONER'S REPORT

The Commissioner
Hon. John Roderick McKechnie, QC

I am pleased to present the Annual Report of the Commission on its activities during the 2015-16 year.

At the beginning of the reporting period, the proclamation of the *Corruption, Crime and Misconduct Act 2003* empowered the Commission to concentrate on more serious misconduct, criminal and corrupt behaviour in the Western Australian public sector. Responsibility for minor misconduct and public sector education and prevention was transferred to the Public Sector Commission.

The legislative amendments allowed an important operational shift for the Commission as Western Australia's leading anti-corruption body. The Commission is now better placed to assess, investigate and expose serious misconduct and assist Western Australia Police to combat the incidence of organised crime when required.

Following the appointment of Chief Executive, Mr Ray Warnes, the Commission has reviewed its business policies, processes and organisational structure continuing the work commenced under my predecessors. This enabled the Commission to improve the timeliness and effectiveness of assessments and investigations.

Allegations of serious misconduct in the public sector have not significantly reduced. The Commission received 2,244 notifications from public authorities and the community during 2015-16. From these notifications, the Commission identified 1,891 allegations that required further action. These allegations were either subject to an investigation or referred back to the appropriate organisation for internal examination.

The Commission works closely with the Public Sector Commission and other public authorities to build capacity to address and manage the risk of serious misconduct and corruption in the public sector.

The principal responsibility for dealing with serious misconduct lies with the Chief Executive Officers, Councils and Boards of public sector agencies. They must have thorough prevention policies and procedures in place to reveal, disrupt and reduce systemic corruption.

The Commission has continued to direct its efforts to areas where the risk of serious misconduct is greatest. Its investigations, public and private examinations, and reports, expose corruption and encourage agencies to implement practices that minimise the risk of serious misconduct occurring. These measures provide the Western Australian community with confidence that public officers act with integrity and in the public interest, not self-interest.

This report marks the first full year of my appointment. I assumed office after the Commission had been through a tough period and had been let down by some officers. I am pleased to report a positive mood and energy in the staff. I commend the Commission's staff for their principles, professionalism, and passion in responding to allegations of serious misconduct in the public sector. Their commitment is a reflection of the Commission's achievements in this year's report.

Hon. John McKechnie, QC
COMMISSIONER

The Commission

The Corruption and Crime Commission was established on 1 January 2004 to:

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

The Commission is responsible directly to the Parliament of Western Australia.

Legislation

On 1 July 2015, the *Corruption and Crime Commission Act 2003* was amended to become the CCM Act. The amendments allow the Commission to focus exclusively on serious misconduct (including police misconduct) and to combat organised crime. Responsibility for dealing with minor misconduct and the education of the public sector was transferred to the Public Sector Commission. Appendix A details the key legislation that affects the performance of the Commission's functions and operations.

External oversight

The Commission is overseen by the Joint Standing Committee on the Corruption and Crime Commission (JSCCCC), aided by the Parliamentary Inspector. The Attorney General has administrative responsibility for the CCM Act and is the responsible Minister for the Commission's budget.

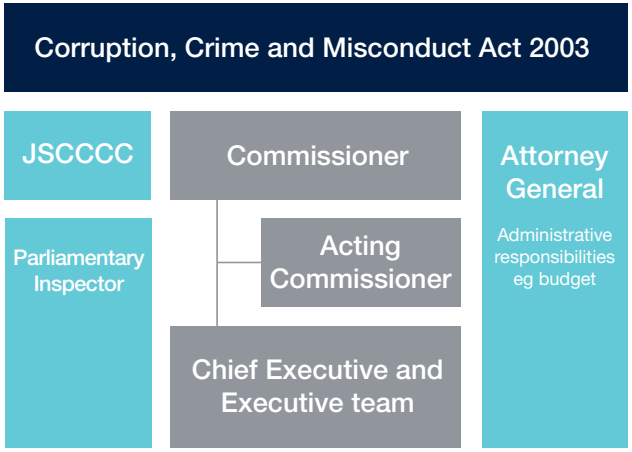
Finances

The Commission's 2015-16 budget allocation was $32 million.

People

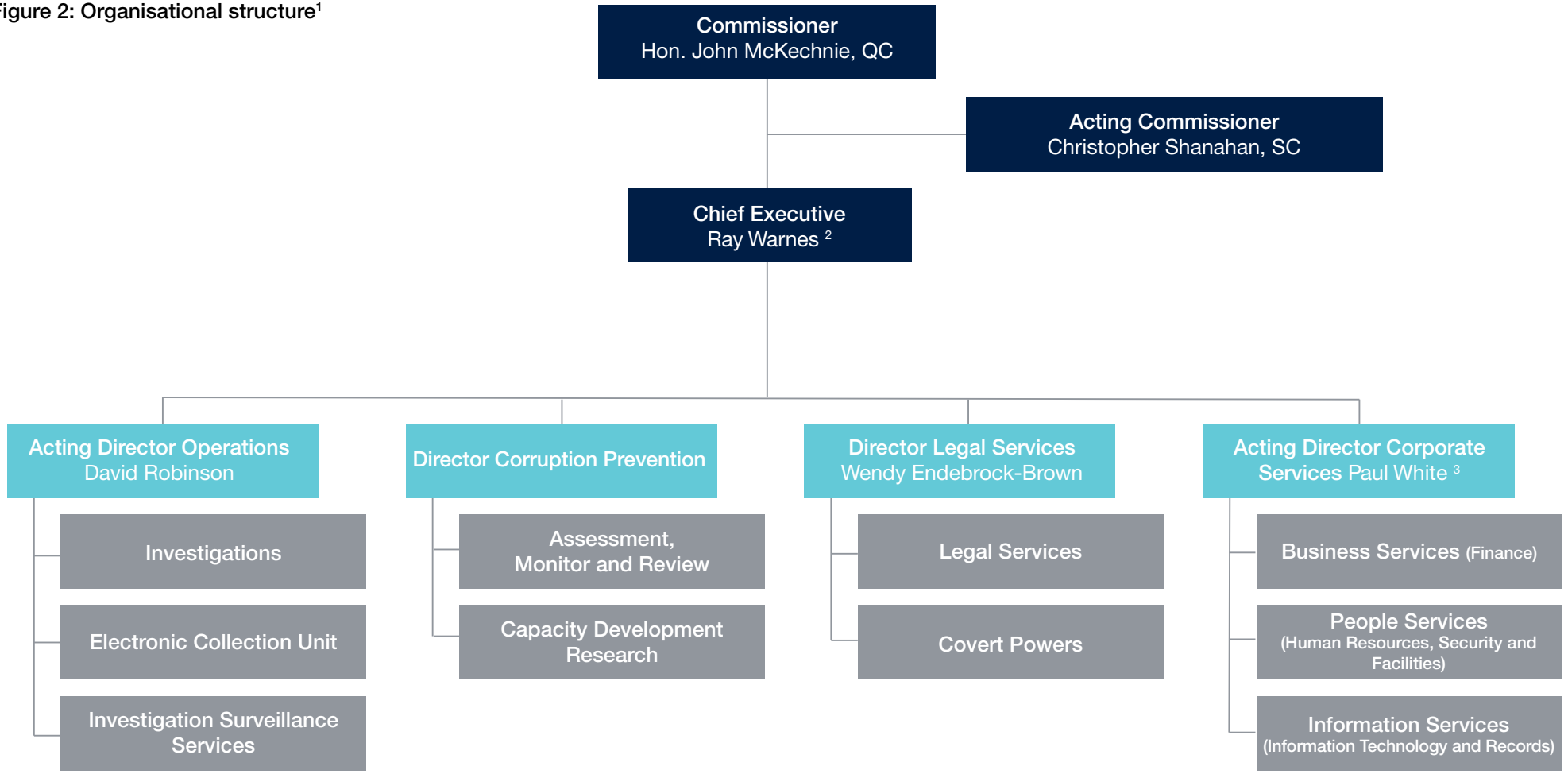
The Commission has 130 employees, including lawyers, investigators, intelligence analysts, investigation support staff, assessment officers and corporate support staff.

Figure 1: Commission structure



ORGANISATIONAL STRUCTURE

Figure 2: Organisational structure[1]



[1] As at 30 June 2016.
[2] From 1 July 2015 to 7 August 2015 Ms Peta Mabbs acted as Chief Executive. Mr Ray Warnes was appointed as Chief Executive on 10 August 2015.
[3] Ms Peta Mabbs was Director of Corporate Services from 10 August 2015 to 17 June 2016. Mr Paul White commenced as Acting Director Corporate Services on 17 June 2016.

THE COMMISSION'S SENIOR OFFICERS

Four Directorates within the Commission work collaboratively to improve the integrity of the WA public sector and help public authorities to minimise and manage serious misconduct.

The Commission's senior officers are supported by the Corporate Executive comprised of Divisional Directors, Assistant Directors and a range of specialised and highly trained employees including lawyers, investigators, intelligence analysts, investigation support staff, assessment officers and corporate support staff.

Commissioner
Hon. John McKechnie, QC
The Hon. Mr John McKechnie, QC, was appointed Commissioner for five years from 28 April 2015.

Acting Commissioner
Mr Christopher Shanahan, SC
Mr Shanahan, SC, was appointed to act in the office of Commissioner on 7 April 2014, with effect from that date and undertook the position until 30 June 2016.

Chief Executive
Mr Ray Warnes
Mr Warnes was appointed as Chief Executive of the Commission on 10 August 2015. Prior to Mr Warnes' appointment Ms Peta Mabbs acted as Chief Executive.

Director Legal Services
Ms Wendy Endebrock-Brown
Ms Endebrock-Brown was appointed as Director Legal Services on 6 July 2015.

Acting Director Operations
Mr David Robinson
Mr Robinson was appointed as Acting Director Operations on 20 April 2015.

Acting Director Corporate Services
Mr Paul White
Mr White was appointed as Acting Director Corporate Services on 17 June 2016.

Outcome-Based Management Framework

Broad government goals are supported at the Commission level by specific outcomes. The Commission delivers services to achieve these outcomes. Table 1 illustrates the relationship between the Commission's services and the desired outcomes and the government goal that it contributes to. The key effectiveness indicators measure the extent of the impact of the delivery of services on the achievement of the desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Table 1: The Commission's contribution to the WA State Government Results-Based Service Delivery Goal

Government goal	Results-Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians	
Desired outcomes	The integrity of the public sector continuously improves and the incidence of misconduct is reduced	Reduced incidence of organised crime
Services	1. Building public sector agency integrity and capacity to deal with misconduct	2. Organised crime function
Key effectiveness indicators	**Outcome: The integrity of the public sector continuously improves and the incidence of misconduct is reduced** Number of allegations received Number of reports published in accordance with the CCM Act	**Outcome: Reduced incidence of organised crime** Number of applications for exceptional powers findings or fortification warning notices received within the financial year Number of applications for exceptional powers findings or fortification warning notices dealt with within the financial year Average lapsed time taken to deal with applications for exceptional powers findings or fortification warning notices
Key efficiency indicators	Average cost of service per Full Time Equivalent (FTE) employed within public authorities under the Commission's jurisdiction	Average cost per matter involving the use of exceptional power and fortification warning notices over the financial year

Changes to the Commission's Outcome-Based Management Framework

The Commission's Outcome-Based Management Framework did not change during 2015-16.

Shared responsibilities with other agencies

The Commission did not share any responsibilities with other agencies in 2015-16.

Actual results versus budget targets

In order to demonstrate accountability and stewardship of resources provided, the Commission is required to explain variations between the annual financial targets and actual results for the financial year. The Commission's actual results versus its budget targets are detailed in Table 2.

Table 2: Financial targets: actual results versus budget targets

Financial targets	2015-16[4] Target $000	2015-16 Actual $000	Variation[5] $000
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	32,023	27,416	(4,607)[a]
Net Cost of Services (sourced from Statement of Comprehensive Income)	31,983	27,289	(4,694)[b]
Total equity (sourced from Statement of Financial Position)	24,534	28,458	3,924[c]
Net increase/(decrease) in cash held (sourced from Statement of Cash Flows)	(365)	1,869	2,234
Approved salary expense level	18,473	15,688	(2,785)[d]

[4] As specified in the Budget Statements.

[5] Further explanations are contained in Note 28 '*Explanatory statement*' to the financial statements:

(a) The variation is mainly due to the combined effects of the Government's recruitment freeze initiative and the reduction in depreciation resulting from the review of the Commission's Strategic Asset Plan.

(b) The variation is as per (a) above.

(c) The variation is primarily due to the review of the Strategic Asset Plan resulting in a reduction of assets held as well as 'Amounts Receivable for Services' to fund future capital programs.

(d) The variation is mainly due to the Government's recruitment freeze initiative.

SUMMARY OF KEY PERFORMANCE INDICATORS

Table 3: Key Performance Indicator summary

Financial targets	2015-16[6] Target	2015-16 Actual	Variation[7]
Outcome 1: The integrity of the public sector continuously improves and the incidence of misconduct is reduced			
Key effectiveness indicators			
Number of allegations received	3,700	4,024	324
Number of reports published in accordance with the CCM Act	4	9	5
Service 1: Building public sector agency integrity and capacity to deal with misconduct			
Key efficiency indicators			
Average cost of service per FTE employed within public authorities under the Commission's jurisdiction	$219	$177	($42)
Outcome 2: Reduced incidence of organised crime			
Key effectiveness indicators			
Number of applications for exceptional powers findings and fortification warning notices received within the financial year	0	0	0
Number of applications for exceptional powers findings and fortification warning notices dealt with within the financial year	0	0	0
Averaged lapsed time taken to deal with applications for exceptional powers findings and fortification warning notices	0	0	0
Service 2: Organised crime function			
Average cost per matter involving the use of exceptional power and fortification warning notices over the financial year	$0	$0	$0

[6] As specified in the Budget Statements.
[7] Explanations for variations between target and actual results are prescribed in Note 48 '*Explanatory Statements*' to the financial statements and at Key Performance Indicators.

WA FRAMEWORK FOR DEALING WITH MISCONDUCT

Public authorities include WA State government departments, Western Australia Police, local government councils, tertiary bodies, Port Authorities and some Boards.

Public officers include sworn and unsworn police personnel, prison officers, teachers, technical and further education (TAFE) lecturers, members and employees of both Houses of the Parliament of Western Australia, councillors and employees of WA local government, employees of government departments and agencies and some government contractors.

1 July 2015 marked the beginning of a new era. The proclamation of the CCM Act resulted in the Commission and the Public Sector Commission working in partnership to assist public authorities efficiently and effectively manage misconduct.

Misconduct generally occurs when a public officer abuses authority for personal gain, causes detriment to another person or acts contrary to the public interest. Misconduct is characterised in the CCM Act as 'serious misconduct' and 'minor misconduct'.

Allegations of serious misconduct (which includes all police misconduct) are the responsibility of the Commission. Allegations of minor misconduct are the responsibility of the Public Sector Commission.

The transfer of minor misconduct to the Public Sector Commission enabled the Commission to concentrate on the oversight and investigation of serious misconduct involving corruption and other criminality across the WA public sector, Local Government and the tertiary sector.

The Commission and the Public Sector Commission worked together to provide information to public authorities about the impact of the change and how to report and manage misconduct, if and when it occurs.

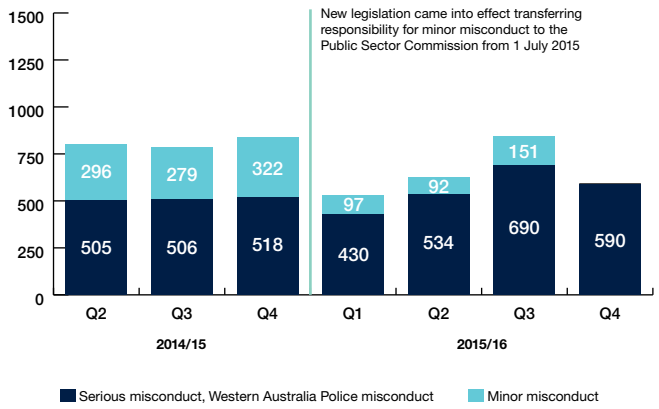
The Commission issued revised *Notification Guidelines for Serious Misconduct* which included new categorisation requirements. The guidelines enable public authorities to:

- determine how to manage suspected serious misconduct in the first instance;
- decide the timeliness of reporting the alleged serious misconduct; and
- in some cases, provide them with the ability to deal with the alleged serious misconduct before reporting the behaviour, any action or treatment applied, and the outcome to the Commission.

To simplify and streamline the notification process, public authorities are encouraged to report allegations of misconduct only once, to either the Commission or the Public Sector Commission. Commission and Public Sector Commission staff consult regularly to discuss reports of misconduct, themes and trends. If necessary, they will redirect allegations between each other to ensure that allegations of misconduct are dealt with appropriately by public authorities and have been properly reported.

The Commission meets with individual public authorities and officers, regularly or as requested, and officers from the Assessment, Monitor and Review Directorate meet quarterly with many of the larger public authorities. The Commission's Assessment and Enquiry Officers provide advice to members of the public and public authorities on a daily basis.

Figure 3: Misconduct reported in WA



Note: The dark blue segments represent notifications to the Commission that contain at least one allegation of serious misconduct, or at least one allegation of police misconduct, or where no misconduct could be identified. The light blue segments represent, prior to 1 July 2015, notifications to the Commission that contain at least one allegation of minor misconduct and post 1 July 2015, notifications to the Public Sector Commission. Fourth quarter 2015-16 notifications to the Public Sector Commission were not available to the Commission at the time of reporting.

Notifications of serious misconduct have remained fairly consistent throughout the reporting period although a slight upward trend is noted. Figure 3 compares misconduct notifications received in the last three quarters of 2014-15 and the four quarters of 2015-16.

The marginal decrease in the first quarter of 2015-16 is likely due to public authorities adjusting to the changes in the reporting requirements to the Commission or the Public Sector Commission and becoming familiar with the requirements of the Commission's *Notification Guidelines*.

The increase in reporting of serious misconduct in the second quarter of 2015-16 represents a return to the level of serious misconduct reporting seen in the previous year, reflecting an increased awareness and understanding by public authorities of the new reporting requirements, which has been assisted by ongoing education and consultation forums provided during the year (see pg. 41 '*Building sector capacity*').

The spike in reporting in the third quarter of 2015-16 is the result of a one-off increase of approximately 95 notifications from the Department of Education reported to the Commission under category three of the *Notification Guidelines.*[8]

The fourth quarter 2015-16 result is consistent with the general upward trend in serious misconduct notifications, with a total of 2,244 notifications received for the year.

[8] Category three refers to low level allegations where the notifying authority can take action prior to reporting to the Commission.

ASSESSING ALLEGATIONS OF SERIOUS MISCONDUCT RECEIVED

Key result:

2,244
Notifications received.

4,024
Allegations assessed:

- **86%** assessed on receipt of the notification;
- **13%** required follow up or new information after the original assessment was completed; and
- **1%** remained in assessment at the end of the reporting period.

Senior public officers include Chief Executives, Senior Executives, Commissioned Police Officers and Superintendents and above with the Department of Corrective Services.

The Assessment, Monitor and Review Directorate[9] assesses all allegations received by the Commission. Allegations can come from:

- a member of the public;
- a WA public authority; or
- other bodies (for example Australian Federal Police).

The Commission can also make propositions about suspected serious misconduct, developed from its own experience and knowledge or information obtained from other sources.

The purpose of the assessment process is to form an opinion as to whether there is a reasonable suspicion that serious misconduct has or may have occurred, is or may be occurring, is or may be about to occur or is likely to occur, and to make a recommendation about what action should be taken. Assessment officers consider a number of factors in the assessment process, including:

- whether or not the allegation is within the Commission's jurisdiction, for example, if the allegation involves a WA public officer and meets the definition of 'serious misconduct';
- whether or not further information is required before an assessment decision can be made; and
- whether the allegation meets the criteria for escalation to the Commission's Operations Committee.

Allegations of serious misconduct that meet certain criteria, including one or more of the following elements, are referred to the Operations Committee:

- involvement of senior public officers or elected officials;
- collusion;
- significant financial loss;
- serious injury;
- threats to public safety or government or agency integrity;
- areas of strategic importance; and
- systemic issues.

During the year 502 allegations were referred to the Operations Committee for decision making, representing 12.5 percent of the total 4,024 allegations assessed.

The Operations Committee has responsibility for prioritising and allocating Commission resources and recommends to the Commissioner what actions should be taken in response to allegations.

Allegations that do not meet the criteria for escalation to the Operations Committee are finalised by the Assessment, Monitor and Review Directorate which has the authority to:

- refer to public authorities for action with the Commission being notified of the final outcome only;
- refer to public authorities with the Commission having no further involvement;
- refer to an independent agency; or
- close the allegation with no further action.

[9] From 1 July 2016, allegations are to be assessed by the newly-formed Assessment and Strategy Development Directorate.

ASSESSING ALLEGATIONS OF SERIOUS MISCONDUCT RECEIVED continued

Key result:

86%

Of allegations were assessed on receipt of the notification, with

90%

being completed within three months, in an average of **19 days.**

Case study 1:

Allegation referred to the Operations Committee

Western Australia Police notified the Commission about allegations that an experienced Detective and his/her supervisor had failed to adequately investigate a series of reports relating to serious assault offences.

The Commission's assessment identified additional allegations against the Detective and highlighted the real possibility that the Detective's failure to investigate one of the serious assault reports may have led to additional offences being committed.

Due to the seriousness of the alleged misconduct and concerns about the manner in which the internal investigation was being undertaken, the assessment was escalated to the Operations Committee, with the recommendation that the allegations continue to be investigated by Western Australia Police and subject to monitor and review by the Commission.

The Commission's initial review of the police investigation identified a number of deficiencies and as a result the investigation file was returned to Western Australia Police for further action. The Commission continues to monitor the investigation progress and will conduct a second review at the conclusion of the police inquiries.

In the meantime, based on findings from the initial investigation, Western Australia Police has commenced disciplinary action in relation to the officers.

Case study 2:

Allegation finalised by the Assessment, Monitor and Review Directorate

The Commission received a notification from the Department of Health about an allegation that an unknown person had disclosed sensitive information via email about the then recently opened Fiona Stanley Hospital to other persons. It was believed that the author of the emails was a staff member due to the level of detail contained within the emails.

Assessment of the allegation failed to identify a subject officer and therefore the Commission's jurisdiction over the matter could not be established. The Department of Health was advised that the Commission would take no further action but that this did not prevent it from continuing with its own investigations.

Key result:

34
Preliminary investigations conducted by the Commission.

24
Preliminary investigations completed in an average of 178 days.

In some cases, in order to properly assess allegations of serious misconduct the Commission may conduct a preliminary investigation. The purpose of a preliminary investigation is to obtain enough information for an assessment decision to be made. A preliminary investigation can range from gathering and analysing additional information to conducting interviews and utilising the powers available to the Commission.

Historically, additional activities carried out by Assessment Officers during the assessment of allegations constituted preliminary investigations. In 2014-15 the Commission reported 317 preliminary investigations having been conducted, with the majority (285) representing additional activities undertaken by Assessment Officers as part of the assessment process.

Revised business processes now ensure that decisions to conduct a preliminary investigation, including the scope of the investigation, must be recommended by the Operations Committee and approved by the Commissioner.

Accordingly, while the range and complexity of activities undertaken by an Assessment Officer in assessing allegations has not diminished, the overall number of preliminary investigations has reduced. In 2015-16 the Commission conducted 34 preliminary investigations, which is similar to the number of preliminary investigations conducted in 2014-15 (ie 32) once the 285 preliminary investigations involving additional assessment activities are removed.

Case study 3:

Preliminary investigation

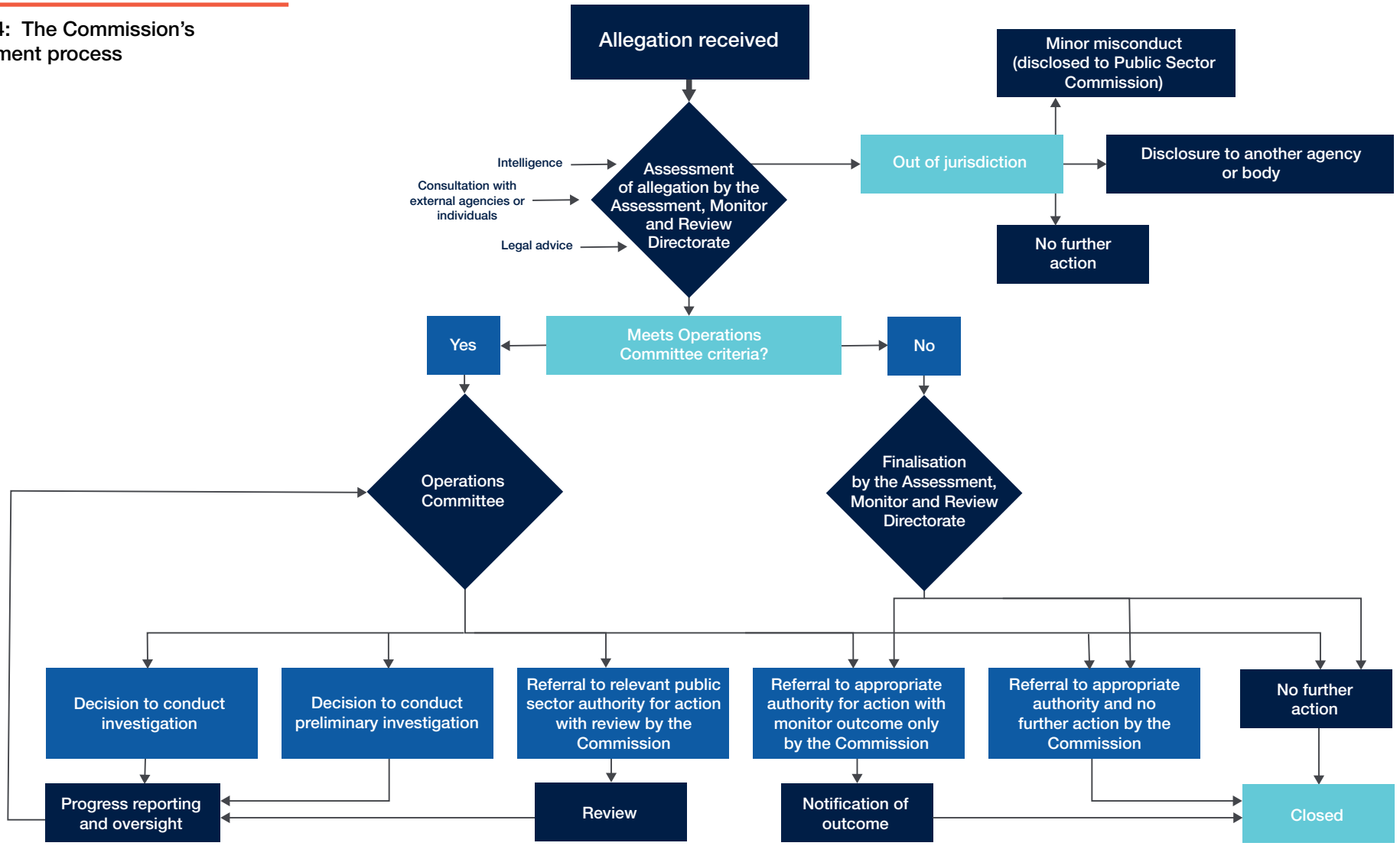
A member of the public reported that a Project Manager with Main Roads Western Australia had awarded contracts to companies owned by his friends. It was further alleged that the Project Manager received cash payments and gifts in return for awarding the contracts.

A preliminary investigation was conducted to determine whether there was any evidence to support the allegations. This involved approaching Main Roads Western Australia to obtain relevant records, examining tender documentation and liaising with the person making the report to obtain additional information.

The preliminary investigation confirmed evidence of an association and on this basis, having met the threshold criteria, the assessed allegations were referred to the Operations Committee with the recommendation that the Commission investigate.

The subsequent investigation did not uncover evidence of serious misconduct.

Figure 4: The Commission's assessment process



OVERVIEW OF SERIOUS MISCONDUCT ALLEGATIONS

Reviewable police action represents a wider definition of reportable misconduct for police, both sworn and unsworn, than for the wider public sector.

Reviewable police action includes actions which are contrary to law, unreasonable, unjust or improperly discriminatory.

The Commission receives allegations of serious misconduct from a number of different sources, including:

- the Commissioner of Police must report matters that concern, or that may concern, reviewable police action;[10]
- members of the public can report serious misconduct allegations;[11]
- Heads of notifying public authorities are obliged to notify serious misconduct;[12] and
- the Public Sector Commission may, following the assessment of a misconduct allegation, refer an allegation to the Commission as suspected serious misconduct.[13]

The Commission can also initiate allegations of serious misconduct[14] and make propositions about suspected serious misconduct.[15] Table 4 details the source of allegations of misconduct received and assessed by the Commission during the last two years.

Table 4: Allegation source

Allegation source	CCM Act	2014-15		2015-16	
		No.	%	No.	%
Reports of alleged serious misconduct from individuals (the public)	s. 25	982	18.59%	973	24.18%
Notifications of alleged serious misconduct from notifying authorities (public authorities)	s. 28	4,048	76.62%	2,499	62.10%
Notifications of reviewable police action (Western Australia Police)	s. 21A	229	4.33%	466	11.58%
Commission's own propositions of alleged serious misconduct	s. 26	11	0.21%	7	0.17%
Allegations initiated	s. 22	13	0.25%	4	0.10%
Public Sector Commission	s. 45M(d)	-	-	75	1.87%
Total		**5,283**	**100%**	**4,024**	**100%**

[10] Notifications of reviewable police action are made pursuant to s. 21A of the CCM Act.
[11] Members of the public can make reports of alleged serious misconduct under s. 25 of the CCM Act.
[12] Certain officers, eg the principal officer of a notifying authority, Ombudsman and Inspector of Custodial Services must notify suspected serious misconduct under s. 28 of the CCM Act.
[13] The Public Sector Commission refers serious misconduct to the Commission under s. 45M(d) of the CCM Act.
[14] Under s. 22 of the CCM Act.
[15] Under s. 26 of the CCM Act.

The decrease in the number of allegations received reflects the transfer of minor misconduct to the Public Sector Commission. The increase in allegations of *reviewable police action* reflects a change in how allegations 'contrary to law', previously captured under s. 28 notifications, are now reported.

Of the 4,024 allegations received by the Commission, the majority (75.5%) are notified by public authorities required to report serious misconduct under the CCM Act. Figure 5 provides a view of the most prevalent misconduct themes assessed from allegations received during 2015-16. Figure 5 details six behavioural categories, aligned with the Public Sector Commission reporting methodologies, to allow consistency and appropriate comparison across the sector.

The profile of allegations varies considerably between sectors. For the public sector, *criminal* allegations (representing 53 percent of their total allegations) represented the top category. For Western Australia Police, *neglect/procedural* allegations (representing 36% of their total allegations) was the top category.

Of note, allegations from Western Australia Police involving *information* increased significantly in this reporting period. This is the result of Western Australia Police commencing a more rigorous audit of accesses to their restricted databases and identifying breaches that are then notified to the Commission. Western Australia Police plan to continue this audit process.

Figure 5: Allegation category by sector

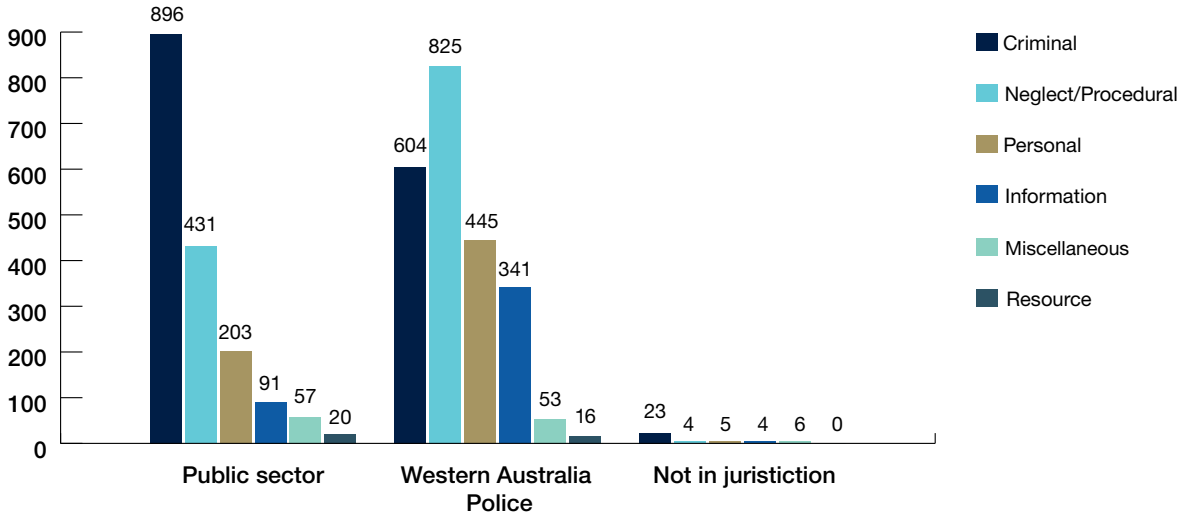


Figure 6: Allegations by subject agency sector

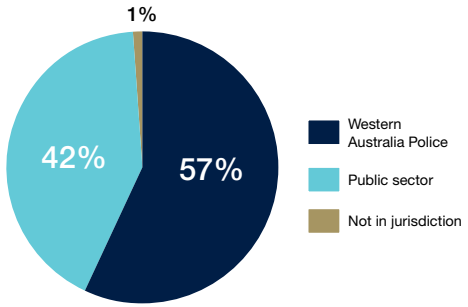


Table 5 shows the top allegation categories over the past two financial years.

Table 5: Top six allegation categories

Commission's allegation category	2014-15		2015-16	
	No.	%	No.	%
Breach of code of conduct/policy/procedures (Neglect/Procedural)[16]	985	18.6%	688	17.1%
Assault - physical/excessive use of force (Criminal)	691	13.1%	542	13.5%
Unprofessional conduct - demeanour/attitude/language (Personal)	415	7.9%	346	8.6%
Misuse of computer system/email/internet (Criminal)	156	3.0%	332	8.2%
Neglect of duty (Procedural)	532	10.1%	318	7.9%
Corrupt conduct (Criminal)	207	3.9%	225	5.6%
All other categories	2,297	43.4%	1,573	39.1%
Total	**5,283**	**100%**	**4,024**	**100%**

Figure 6 shows that Western Australia Police, representing a single notifying authority within the public sector, accounts for more than half of the 4,024 allegations of misconduct received and assessed by the Commission. This is due in large part to Western Australia Police having a lower misconduct reporting threshold than any other notifying authority (see pg. 28).

Across all assessed allegations, the two most prevalent allegation categories were *breach of code of conduct/policy/procedures* and *assault - physical/excessive use of force* accounting for 30.6 percent, almost a third, of all allegations assessed.

Misuse of computer system/email/internet now represents the fourth most prevalent category, rather than 10th in the previous reporting period.

[16] Demonstrates the broader categories in Figure 5.

Table 6 shows that there were significant reductions in allegations made in 2015-16 relating to the Department of Education and Department of Corrective Services which likely reflects the transfer of minor misconduct to Public Sector Commission.

Following consultation between the Commission and Western Australia Police regarding the reporting of police misconduct, revised *Notification Guidelines* were issued to Western Australia Police in May 2016. Under the new guidelines Western Australia Police is not required to report allegations that fall below the agreed threshold, which will likely see a decrease in the notification of matters from Western Australia Police in the future.

Notwithstanding this, the Commission will maintain oversight of all police misconduct through access to Western Australia Police information systems.

Revised *Notification Guidelines* were also issued to the Department of Education in the last quarter of the year and are expected to result in a significant decrease in allegations notified in 2016-17.

Table 6: Allegations by subject authority

Subject authority	Number of allegations	
	2014-15	2015-16
Western Australia Police	1,988	2,284
Independent agencies and other authorities[17]	924	532
Local Government	368	325
Department of Health	392	305
Department of Education	760	289
Department of Corrective Services	797	247
Not in jurisdiction	54	42
Total	**5,283**	**4,024**

[17] Independent agencies means the Office of the Auditor General, Director of Public Prosecutions, Public Sector Commissioner, Parliamentary Inspector and the Inspector of Custodial Services.

Other authorities include other organisations not listed, such as the Department of Finance and the Department of Aboriginal Affairs.

MAKING CONNECTIONS

The Commission analyses the allegations it receives and information gained from its investigations to identify corruption and serious misconduct trends, patterns and emerging threats. This information is used to inform operational priorities and to target emerging 'hot spots' and threats. In 2014, the Commission combined its research and strategic analysis into a formalised misconduct intelligence assessment of misconduct risks within the WA public sector. The assessment, published in March 2015 in the '*Report on the misconduct intelligence assessment of the WA public sector*', informed the development of the Commission's Operational Priorities strategy for 2015-16 with a concentration of efforts on Western Australia Police, Department of Corrective Services and procurement across the sector.

The Commission will build on the previous misconduct intelligence assessment process and identification of operational priorities through the establishment of a strategic research unit, incorporated within the new Assessment and Strategy Development Directorate commencing on 1 July 2016.

This Directorate has the primary focus of identifying and profiling areas of serious misconduct. By analysing patterns of behaviour and assessing environmental factors and their impacts, the Directorate will ensure the Commission is positioned to face the challenges of emergent and existing serious misconduct risks.

In addition to notifications from agencies and reports from the public the Commission can make its own propositions about suspected serious misconduct. Using information available from a range of sources the Commission initiated seven own proposition investigations in 2015-16 aimed at identifying instances and risks of serious misconduct.

Three of these propositions link to the Commission's Operational Priorities strategy. Operations Auburn and Auburn-Alpha relate to the strategy for procurement and Operation Tobin relates to the strategy for the Department of Corrective Services. In developing the propositions the Commission reviewed information from previous investigations, gathered and analysed information from a number of agencies and then used the results to initiate allegations of suspected serious misconduct for investigation.

The remaining four propositions are unrelated to the Operational Priorities strategy. They relate to Operation Williams, Operation Braydon, Operation Sandon Two and an unnamed preliminary investigation involving allegations of serious misconduct involving neglect of duty (see Appendix C). All four propositions represent allegations of serious misconduct related to matters of corrupt and/or criminal behaviour by senior public officers or those in positions of trust.

OPERATIONS COMMITTEE

In 2015-16 the Commission focused on repositioning its efforts towards high value and high priority areas.

The Commission has a range of responses it can apply in preventing, combatting and disrupting serious misconduct. These include:

- investigating matters itself utilising its range of statutory powers;
- cooperative agency investigations;
- provision of information to other agencies;
- monitoring and reviewing agency responses;
- producing reports; and
- making recommendations to independent agencies and appropriate authorities about prosecuting, taking disciplinary or other action, and to the Parliament of Western Australia about changes of law.

The Operations Committee directs and oversees the Commission's operational activity and is made up of the Commissioner, Chief Executive as Chair, Directors and invited officers. It is responsible for ensuring that the Commission's operational activities support the Commission's goal of reducing the incidence of serious misconduct in the most effective and efficient way. The Operations Committee makes recommendations to the Commissioner and oversees the Commission's activities in three areas:

1. assessments (see pg. 15);
2. monitoring and review (see pg. 38); and
3. investigations (see pg. 29).

In deciding what action the Commission should take in response to serious misconduct allegations referred for its consideration, the Operations Committee may recommend to:

- conduct a Commission preliminary investigation or investigation;
- conduct an investigation in cooperation with an independent agency or appropriate authority;
- refer the allegation to an independent agency or appropriate authority for action with monitoring and/or review by the Commission; or
- take no action.

Table 7: Action taken in relation to allegations

Action taken in relation to allegations	2014-15		2015-16	
	No.	%	No.	%
No further action taken (s. 33(1)(d))	2,269	43.0%	1,989	49.4%
Allegations referred to appropriate authority or independent agency (s. 33(1)(c)), without review by the Commission	1,840	34.8%	1,690	42.0%
Allegations referred to appropriate authority (s. 33(1)(c)) with Commission oversight, with review by the Commission (s. 41)	1,090	20.6%	90	2.2%
No further action - disclose to the Public Sector Commission (s. 152(4)(a))	-	-	144	3.6%
Refer to Operations Committee - pending a decision on action to be taken	16	0.3%	32	0.8%
Allegations the subject of preliminary investigation by the Commission (s. 32(2))	32	0.6%	40	1.0%
Allegations the subject of investigation by the Commission (s. 33(1)(a))	36[18]	0.7%	25[19]	0.6%
Commission to investigate in cooperation with appropriate authority or independent agency (s. 33(1)(b))	-	-	14[20]	0.4%
Total	**5,283**	**100%**	**4,024**	**100%**

[18] The 36 allegations the subject of investigation by the Commission pursuant to ss. 33(1)(a) and 33(1)(b) of the *Corruption and Crime Commission Act 2003* relate to 19 investigations in 2014-15.

[19] The 25 allegations the subject of investigation by the Commission pursuant to s. 33(1)(a) of the CCM Act relate to eight investigations commenced in 2015-16.

[20] The 14 allegations the subject of cooperative investigation by the Commission pursuant to s. 33(1)(b) of the CCM Act relate to five investigations commenced in 2015-16 and 2 investigations commenced before 1 July 2015.

Table 7 shows that nearly 50 percent of all allegations assessed in 2015-16 required no further action by the Commission. This was mainly due to the fact that the allegation:

- did not relate to serious misconduct;
- was outside the Commission's jurisdiction; or
- had been appropriately dealt with and/or did not require further action.

A further 144 allegations, assessed as relating to minor misconduct, were disclosed to the Public Sector Commission with no further action by the Commission.

Of the 4,024 allegations assessed, 1,891 were assessed as involving serious misconduct and requiring further action. The majority of these (1,780 or 94%) were referred to an appropriate authority or independent agency for action.

The Commission may monitor the progress of the action taken by an appropriate authority and/or may review how the appropriate authority dealt with the allegations. During this reporting period the Commission determined that 90 allegations referred to appropriate authorities would be subject to review, representing a significant decrease from the 1,090 allegations assessed for review in 2014-15.

This decrease reflects a repositioning of Commission efforts (discussed in more detail in the '*Monitoring and reviewing appropriate authority actions and investigations*' section, see pg. 38), towards the more serious misconduct allegations and those authorities where it can make a difference in building capacity.

For the remaining 111 allegations, the Commission decided to conduct a preliminary investigation (40), an investigation (25) or an investigation in cooperation with an appropriate authority or independent agency (14), and 32 allegations were referred to the Operations Committee with a decision pending at the end of the reporting period.

Table 8: Action taken in relation to allegations by sector

Action taken in relation to allegations by sector	Western Australia Police	Public sector	Not in jurisdiction
No further action taken (s. 33(1)(d))	1,195	754	40
Allegations referred to appropriate authority or independent agency (s. 33(1)(c)), without review by the Commission	995	695	-
Allegations referred to appropriate authority (s. 33(1)(c)) with Commission oversight, with review by the Commission (s. 41)	60	30	-
No further action - disclose to the Public Sector Commission (s. 152(4)(a))	-	144	-
Refer to Operations Committee - pending a decision on action to be taken	3	28	1
Allegations the subject of preliminary investigation by the Commission (s. 32(2))	11	29	-
Allegations the subject of investigation by the Commission (s. 33(1)(a))	14	11	-
Commission to investigate in cooperation with independent agency or appropriate authority (s. 33(1)(b))	6	8	-
Total	**2,284**	**1,699**	**41**

The action taken by the Commission in relation to Western Australia Police allegations, as compared to the rest of the public sector, differed in two important respects.

Table 8 shows that proportionately more Western Australia Police allegations (52.3% versus 44.4%) were determined to require no further action by the Commission. This is because Western Australia Police are subject to a lower reporting threshold than the wider public sector and, therefore, notify a greater number of allegations that do not require the Commission's intervention.

Twice as many allegations referred back to Western Australia Police for action were subject to review by the Commission than for the wider public sector.

These differences not only reflect the Commission's confidence in the handling of misconduct matters by Western Australia Police, but also the priority given to their oversight by the Commission, recognising the serious nature of misconduct risks in policing.

Key result:

29
Commission investigations were conducted during 2015-16.[a]

16 Investigations were completed;[b]

average time taken
481 days.

Private examinations were conducted in relation to 7 investigations, during which:

34 witnesses were examined;

over 26 days.

Public examinations were conducted in relation to 2 investigations, during which:

21 witnesses were examined;

over 9 days.

The Commission investigates matters which are serious and significant and where it believes it can have the most impact in improving the integrity of the public sector. Appendix C details all investigations conducted by the Commission during 2015-16.

Powers available to the Commission

Serious misconduct, and especially corruption, often occurs in secret and for this reason the Commission has a range of powers it can use when it conducts investigations. For example, the Commission can require public sector authorities and individuals to provide it with information and documents and it can hold private and public examinations in which persons are served with a summons to attend and answer questions. It can also enter and search premises, intercept telephone communications and use surveillance devices. The Commission also has the power to assess the honesty of public officers by conducting integrity tests and Commission officers can use assumed identities. These, and other powers, are subject to strict approval processes and are closely monitored by the Ombudsman Western Australia,[21] Commonwealth Ombudsman[22] and the Parliamentary Inspector.[23]

Appendix B outlines the statutory powers used by the Commission during 2015-16 in the performance of its functions.

In practice, a serious misconduct investigation will involve the use of some or all of the Commission's powers.

The Commission is very conscious of the intrusive nature of these powers on individual rights and freedoms and applies the principle of 'least intrusion'.

[a] Of the 29 investigations conducted, eight represent investigations commenced in this reporting period in response to allegations received and 21 represent investigations commenced in the previous period.
[b] 13 investigations remain active with an average duration of 294 days and will continue in the next financial year.
[21] Ombudsman Western Australia oversights the Commission's use of telecommunications interception under the *Telecommunications (Interception and Access Act) 1979 and Telecommunications (Interception) Western Australia Act 1996.*
[22] Commonwealth Ombudsman oversights the Commission's access to stored communications and telecommunications data under the *Telecommunications (Interception and Access Act) 1979* and the Commission's use of surveillance devices under the *Surveillance Devices Act 2004* (Cth).
[23] Parliamentary Inspector oversights the Commission's compliance with the *Surveillance Devices Act 1998* (WA) laws of the State.

Compulsory examinations

The compulsory examination of a person by the Commission is an investigative tool. It is not the same as a hearing conducted by a court or tribunal and no judgement is made about guilt or innocence. The purpose of an examination is to obtain information to advance an investigation by the Commission into an allegation of serious misconduct; to find out the truth.

Charges and convictions

Table 9: 2015-16 charges and convictions

Charges and convictions	Against public officers	Against non-public officers	Total
Charges commenced by the Commission in 2015-16	164	1	165
Charges commenced by the Commission in 2015-16 and still before the courts	26	1	27
Charges withdrawn	142[24]	-	142
Charges finalised	170	-	170
Convictions	24	-	24
Acquittals	4	-	4

Criminal or other offences are often identified in the course of the Commission's investigations and charges may then be laid against public officers and non-public officers.

Table 9 shows the charges and convictions of public officers and non-public officers resulting from Commission investigations in 2015-16. The preferring of charges, any subsequent withdrawing of charges and/or any resulting convictions may not necessarily occur during the same reporting period.

The 165 charges laid in 2015-16 related to four individuals in total, three public officers and one non-public officer. Examples of the types of charges laid in the reporting period included the following:

- **corruption** pursuant to *The Criminal Code Act 1913* (s. 83);
- **bribery** pursuant to *The Criminal Code Act 1913* (s. 82);
- **stealing as a servant** pursuant to *The Criminal Code Act 1913* (s. 378(7));
- **false testimony** pursuant the CCM Act (s. 168);
- **disclosure of restricted matter** pursuant to the CCM Act (ss. 151(7) and 167(3)); and
- **possess a prohibited drug** pursuant to the *Misuse of Drugs Act 1981* (s. 6(2)).

[24] 139 of these charges related to the investigation of one public officer where one charge was amended to represent a consolidated offence and the remaining 138 charges were withdrawn.

Investigation case studies and themes

Gifts and benefits

Public officers sometimes receive gifts or other benefits from members of the public and private industry. Any gift has the potential to influence how a public officer performs their duties and as a result, many agencies have strict regimes in place to ensure that gifts are disclosed. In some cases there is legislation which prohibits some types of gifts. In 2015, as part of Operation Hastings, the Commission investigated an allegation that the Lord Mayor of the City of Perth had accepted a gift and failed to declare it.

Case study 4:

Operation Hastings[25]

On receiving information from the Australian Federal Police, the Commission investigated allegations that the Lord Mayor of the City of Perth had accepted and failed to declare a hospitality package valued at over $16,000 to attend the 2008 Beijing Olympics.

The Commission served notices to obtain records from the City of Perth and examined gift registers, annual returns, emails and media reports relating to the relevant time frames.

Private examinations were held where the Lord Mayor, the former City of Perth Chief Executive Officer and others were questioned.

The investigation revealed that the Lord Mayor had failed to disclose gifts and travel contributions.

The Commission released a report on its investigation to highlight the importance of public officers meeting their disclosure obligations and the need for transparency in declaring gifts and contributions. Although the report relates to the actions of the Lord Mayor, there are lessons for all officials, including parliamentarians and Local Government councillors, who are governed by rules about receipt of gifts and third party contributions to travel.

[25] Corruption and Crime Commission, *Report on an Investigation into Acceptance and Disclosure of Gifts and Travel Contributions by the Lord Mayor of the City of Perth* (5 October 2015).

Police oversight - systemic failures

In 2014 and 2015 the Commission investigated the conduct of officers involved in the investigation of the unlawful killing of Mr Joshua Warneke as detailed in Operation Becker.

Case study 5:

Operation Becker[26]

The Commission reviewed the Western Australia Police investigation into the unlawful killing of Mr Joshua Warneke in Broome in February 2010. Following a protracted investigation in August 2012, Western Australia Police charged Kiwirrkurra man Mr Gene Gibson with the murder of Mr Warneke.

The purpose of the Commission's investigation was to determine if any Western Australia Police officer engaged in misconduct and/or reviewable police action during the police investigation into the death of Mr Warneke and the subsequent arrest and prosecution of Mr Gibson.

The Commission was given access to voluminous Western Australia Police material including records of interviews with relevant officers. The Commission also gathered its own material and held private examinations with a number of police officers.

The Commission released a report which exposed a number of systemic failures in Western Australia Police. These included a lack of knowledge and skills when interviewing Aboriginal people, confusion about the *Criminal Investigation Act 2006,* failure to appropriately record critical and discretionary decisions and questions around disclosure.

This case study demonstrates the importance of the Commission's oversight of Western Australia Police, particularly in the identification of systemic issues. Such oversight includes recommendations designed to assist police with continuous improvement and to minimise misconduct risk.

[26] Corruption and Crime Commission, *Report on Operation Aviemore: Major Crime Squad Investigation into the Unlawful Killing of Mr Joshua Warneke* (5 November 2015).

Procurement and management of contracts

Each year the government spends many millions buying goods and services from the private sector. There are a number of serious misconduct risks associated with government procurement. For example, if there is a relationship between a public officer involved in making procurement decisions and the companies providing goods and services there is potential for corruption. Operation Latrobe illustrates the Commission's approach to one such allegation.

Case study 6:

Operation Latrobe[27]

The Commission investigated misconduct allegations concerning the procurement and management of Information Technology contracts by the Department of Health. The allegations included improper relationships between senior Department of Health employees and private companies contracted to deliver Information Communication and Technology services.

The Commission's investigation included serving notices to provide records, financial investigation and interviewing Department of Health employees and private contractors.

The Commission did not uncover any serious misconduct or corruption, however, the investigation revealed mismanagement of contracts, including non-adherence to Department of Finance 'Common Use Arrangements' and Department of Health internal procedures. The Commission provided information to the Department of Health in relation to the conduct of one of the officers involved in the management of the contract.

The mismanagement of Information Communication and Technology contracts by the Department of Health was further revealed in an audit into the Department of Health Centralised Computing Services contract, conducted by the Office of the Auditor General.[28] The Office of the Auditor General audit found numerous weaknesses in the Department of Health's management of large-scale contracts, including no dedicated contract manager, no clear policies and procedures for contract variations and ineffective financial management. The Office of the Auditor General made six recommendations to the Department of Health in relation to the flaws it identified in the Department's management of the contract.

The Commission investigation and Office of the Auditor General audit reports highlight the risks involved in dealing with large-scale contracts. In addition to the contract management issues identified by the Office of the Auditor General, there is always a risk of serious misconduct in government procurement and the management of contracts.

[27] Corruption and Crime Commission Media Release dated 17 February 2016 "*Poor management short of serious misconduct*".

[28] Office of the Auditor General, *Health Department's Procurement and Management of its Centralised Computing Services Contract* (February 2016).

Key result:

16

Cooperative investigations were undertaken in 2015-16.

- **6** Cooperative investigations were with Western Australia Police.
- **8** Cooperative investigations were completed in an average of 320 days.
- **8** Investigations remain active and will continue in the next financial year.

Cooperative Commission investigations

In some cases, the Commission conducts its investigations in cooperation with public sector authorities. The Commission takes this approach when the serious misconduct allegation under investigation also raises issues which are outside the Commission's jurisdiction or when the effective investigation of the allegation requires the resources of other agencies.

Operation Cassady and Operations Jack and Delta provide examples of cooperative investigations undertaken during 2015-16.

Prison officer corruption

Prison officers work in a high risk environment. One of the risks they face is attempts by prisoners, some of whom are members of organised crime groups, to influence or corrupt a prison officer. The following case study illustrates how the Commission worked cooperatively with Western Australia Police and the Department of Corrective Services to investigate one such incident.

Case study 7:

Operation Cassady[29]

The Commission undertook a cooperative investigation with Western Australia Police and the Department of Corrective Services to investigate a number of allegations concerning a prison officer who was also suspected to be involved with organised crime groups. The allegations included the trafficking of contraband such as illicit drugs and mobile phones into Casuarina Prison, in exchange for money.

A number of investigative strategies were employed throughout this investigation, including intercepting telephone communications, surveillance activities, financial investigation, and intelligence analysis. Throughout the investigation, an ongoing exchange of information between all agencies was maintained, including regular briefings. The cooperative investigation uncovered evidence that the prison officer may have engaged in serious misconduct. He was subsequently charged with a number of offences including Official Corruption, Unlawful Use of a Computer, and Supply Prohibited Drug.

This case demonstrates how an intelligence-led, multi-agency investigation can effectively target serious misconduct involving corruption and criminal offences. It also highlights the misconduct risks associated with public officers exposed to criminal elements and the 'grooming' of a public officer by prisoners.

[29] Refer to the jointly issued Media Release dated 17 June 2016 (Commission, Western Australia Police and Department of Corrective Services) "Prison Officer Charged".

Contracting out of government services

In recent years there has been an increasing trend to outsource some government services. If outsourcing arrangements are not adequately managed there is an increased risk of serious misconduct. Operations Jack and Delta were Commission investigations into the licensing and regulation of contractors used by the Department of Transport.

Case study 8:

Operations Jack and Delta[30]

The Commission held public examinations as part of ongoing investigations into the licensing of vehicles and drivers by Department of Transport contractors.

The Commission and the Department of Transport have been working collaboratively for over two years to examine the regulation of processes around vehicle licensing and registration, and the outsourcing of these processes to private contractors. The public examinations focused on a number of issues concerning private contractors accepting cash payments from persons in exchange for not undertaking practical driving assessments. Additionally, Authorised Vehicle Examiners were examined in relation to instances where vehicles were falsely being certified as roadworthy in exchange for cash payments.

While the focus of these public examinations was primarily on private contractors engaged by the Department of Transport, it is important to note that these contractors, although generally working in the private sector, become public officers, with all the responsibilities that carries, as a result of accepting this outsourced government work.

This investigation highlights the misconduct risks which can arise when public work is outsourced to private service providers. The consequences to public safety are of particular importance as private providers were placing profit and personal interests above public safety.

The Commission's report on this case will make a number of recommendations to the Department of Transport about how they can improve their systems for preventing this type of conduct in the future. The report will also detail opinions of serious misconduct by some of the public officers involved.

[30] https://www.ccc.wa.gov.au/public-examinations-conducted-during-period-28-30-October-2015.

The Commission is sometimes required to disclose official information to other agencies and public authorities. This can occur when the Commission receives serious misconduct allegations or information about public agencies or officers outside its jurisdiction, such as information about:

- Commonwealth or other Australian State Government agencies or public officers;
- WA public officers that does not constitute serious misconduct, but raises concerns about the fitness or integrity of the person in their public officer capacity; and
- a private person or organisation that involves possible criminal conduct.

In these cases, disclosure is in the public interest and in some cases, supports the Commission's legislative purpose of improving the integrity of the public sector.

Case study 9:

Disclosure of criminal history

The Commission reviewed a Western Australia Police investigation of allegations made about the manner with which officers arrested a female at a race meeting. The Commission identified that the female patron was an off duty registered nurse employed by a public hospital who had a criminal history of drug-related matters. The Commission determined that it was in the public interest to disclose her criminal history to the Australian Health Practitioner Regulation Agency.

Case study 10:

Disclosure to the Australian Federal Police

An anonymous report was received alleging a [named] business person was sponsoring immigrants for 457 and permanent visas in exchange for a significant amount of money. The report was assessed to be outside the Commission's jurisdiction as the matter did not relate to a public officer. Due to the serious nature of the allegation, the Commission disclosed the information to the Australian Federal Police.

Case study 11:

Disclosure to the Department of Health

The Commission provided information to the Department of Health at the conclusion of Operation Latrobe (see Case study 6: Operation Latrobe on pg. 33).

The Commission recommended that the Department of Health consider taking disciplinary action in relation to one of the officers involved and in doing so, the Commission disclosed information about the investigation to assist the agency.

In other circumstances the Commission may disclose official information for the purposes of prosecution or disciplinary action or in carrying out its functions under the CCM Act. For example, in carrying out its function to ensure that allegations and information concerning serious misconduct are dealt with in an appropriate way, the Commission may consult, cooperate and exchange information with:

- independent agencies (for example, the Office of the Auditor General and the Office of the Director of Public Prosecutions);
- appropriate authorities (for example, other WA State Government agencies such as the Department of Health and Western Australia Police); and
- specified or gazetted agencies (for example, the Commissioner of the Australian Federal Police).

During this reporting period the Commission made 34 disclosures of information to other agencies and public authorities including:

- one disclosure of information to the Public Sector Commissioner, as an independent agency, involved the referral of an appropriate authority investigation report reviewed by the Commission; and
- 33 disclosures of information to State and Commonwealth public authorities such as Western Australia Police, Department of Health, Department of Transport, Main Roads Western Australia, Australian Federal Police and the Australian Tax Office and to other bodies, such as accountancy firms and a property development company.

The purpose of these disclosures varied. Information was disclosed to Western Australia Police and the Australian Federal Police to assist them in conducting criminal investigations. In other cases, information was disclosed to help public authorities and other bodies conduct disciplinary or other action in relation to the subject public officers. In a small number of cases information was disclosed because the Commission was asking the public authority or body to assist in its enquiries.

MONITORING AND REVIEWING APPROPRIATE AUTHORITY ACTIONS AND INVESTIGATIONS

Appropriate authorities are public authorities with the power to take disciplinary, investigatory or other action in response to an allegation.

Key result:

The Commission referred

1,690

Serious misconduct allegations to appropriate authorities for action and 'monitor outcome only' in 2015-16.

90

Serious misconduct allegations were referred to appropriate authorities for action and review.

The heads of public authorities have primary responsibility for identifying and managing serious misconduct within their own organisation. If the Commission decides not to investigate an allegation, one option available is to refer the allegation back to the public authority to which the allegation relates.

When not directly investigating an allegation itself, it is the Commission's role to ensure that allegations of serious misconduct are dealt with appropriately by public authorities. The Commission does this through its monitor and review process.

In redirecting its monitor and review activities in line with the new CCM Act, in August 2015 the Commission closed all but a small number of review matters so that it could refocus its monitor and review function towards more serious misconduct.

The Commission simultaneously launched a project to look at agencies where allegations had been referred by the Commission, but no outcome had been provided or was recorded. The project began by identifying 1,460 allegations without result and, through liaison with the relevant public authorities, 910 allegations were finalised by 30 June 2016, while 550 remained outstanding.

During 2015-16 the Commission implemented improvements to its assessment criteria resulting in the majority (approximately 95 percent) of allegations referred to an appropriate authority for action being classified as 'monitor outcome only'. Generally these matters relate to public authorities that the Commission is confident has the capacity to appropriately deal with the allegations or are matters at the lower end of serious misconduct.

Only a small number of the most serious misconduct allegations are now referred to a public authority for review. In these matters the Commission actively monitors the progress of the actions taken by the agency through regular status reports and, on conclusion, receives a report detailing the actions taken and the findings reached. The Commission reviews the report to determine if:

- all allegations were adequately addressed;
- all reasonable steps were taken to obtain and consider relevant evidence; and
- the findings reached were open to the public authority to make.

In some cases, following its review, the Commission may request a public authority take further action in relation to the allegations.

Future directions for monitoring and review activities

During this reporting period, the Commission commenced an organisational restructure within the Directorate responsible for the assessment, monitor and review of allegations. As a result of this process, the Commission will introduce a more active and involved monitoring role to be performed by the Oversight section within the Assessment and Strategy Development Directorate in the next financial year. The Commission will use this more active approach to monitoring to build capacity in the public sector to effectively respond to serious misconduct allegations.

Case study 12:

Monitor outcome only

The Commissioner of Police reported that an Inspector had seriously breached policy and had engaged in possible criminal conduct, making unauthorised accesses to restricted databases to view information about members of their immediate family.

The Commission, in recognising that Western Australia Police have a well-developed process for dealing with such allegations, referred the allegations to Western Australia Police for action, with an additional requirement that the Commission be provided with a report on the action taken and outcome.

At the conclusion of the Western Australia Police investigation a report was provided and the Commission advised that as a result of the allegation about unauthorised access being proven, disciplinary action was taken.

Case study 13:

Review

The Commission received a notification from the Aboriginal Legal Service of Western Australia (Inc), on behalf of an indigenous family, alleging that Western Australia Police had failed to properly respond to a serious physical assault on an indigenous female by her de-facto partner and the subsequent abduction of the victim's 10 month old child by the partner. The partner sexually and physically assaulted the child causing his death. The allegations were referred to Western Australia Police for investigation with the Commission reviewing the completed police investigation.

The Commission review included obtaining the original Internal Affairs Unit (IAU) investigation files, listening to audio recordings of interviews with involved police officers and witnesses, listening to recorded calls to '000' and radio calls made by police officers on the relevant days, viewing CCTV footage of events at the police station and reviewing all documentary evidence, eg police reports, witness statements, information reports, computer aided dispatch records, running sheets, the missing persons policy and other documents.

The review identified a series of instances when individual police officers, involved in different elements of events, failed to make the right observations, ask the right questions or reach the right, reasonable conclusions. Instead, police were distracted from the initial assault and missing child report by the attitude and behaviour of the family, undermining the overall effectiveness of their response to the situation with tragic consequences. This issue was not appreciated at the local policing level or acknowledged by IAU as a result of their investigation.

The Commission tabled a report[31] detailing the review findings to raise awareness within the Western Australia Police about the need, when dealing with domestic violence in the future, to follow the good policies Western Australia Police have in place relating to handling incidents involving domestic violence.

[31] Corruption and Crime Commission, *Report on the Response of WA Police to a Particular incident of Domestic Violence on 19-20 March 2013* (21 April 2016).

RECOMMENDATIONS FOR CHANGES OF LAW

The Commission is undertaking two major projects to identify and prioritise recommended legislative amendments to the CCM Act having regard to the current issues facing the Commission.

1. **Unexplained wealth** - proposing legislative amendments with the potential to develop the Commission's jurisdiction to target unexplained wealth, as supported by recent amendments focusing the Commission's attention on corruption and serious misconduct.

2. **Amendments to the CCM Act** - undertaking a comprehensive review of previous recommended legislative amendments, having regard to the transfer of functions to the Public Sector Commission and those recommendations contained within the *Corruption and Crime Commission Amendment Bill 2012* which lapsed with the prorogation of the Parliament of Western Australia in December 2012. Progress of this project is likely to be limited by government priorities, including an assessment of the full impact of the *Criminal Investigation (Covert Powers) Act 2012* and the *Criminal Organisations Control Act 2012*.

WORKING TOGETHER TO DEVELOP PUBLIC SECTOR CAPACITY

Key result:

The Commission and the Public Sector Commission delivered

11 Joint sessions

about the transfer of minor misconduct to

577 public officers

including:

- **5** sessions delivered by the two Commissioners to 367 senior public officers, including Senior Executive Service officers, Ministerial Chiefs of Staff and Chief Executives; and
- **6** sessions to 210 public officers.

4 Joint publications

were produced, with:

- **1** focusing on the new reporting regime; and
- **3** regarding misconduct notifications, patterns and trends.

Although the Commission no longer has a corruption prevention and education function, the Commission engages in a number of activities that aim to increase integrity across the public sector and reduce the incidence of misconduct.

Working collaboratively with the Public Sector Commission, Western Australia Police, other WA public authorities and integrity bodies locally and interstate, the Commission uses a range of mechanisms to build sector capacity and assist public authorities prevent, identify, and respond to misconduct.

Where a special need is identified, the Commission, in cooperation with the Public Sector Commission, may work to help public authorities increase their capacity to prevent or combat misconduct. As a new function under the CCM Act, the provision of cooperative responses to areas of special need is still being developed and is likely to expand in the future.

Following the introduction of the CCM Act, the Commission and the Public Sector Commission delivered joint educational presentations and produced co-publications, fact sheets and *Notification Guidelines* to help public authorities identify and report misconduct to the responsible agency. Copies of these publications have been circulated widely and are available electronically on both agencies websites.

In addition, the Commission undertook a number of other activities, both independently and cooperatively with the Public Sector Commission, aimed at building the capacity of public authorities to prevent and combat misconduct, including:

- consulting and working collaboratively with individual public authorities to assist in the development and implementation of strategies and processes to prevent and manage misconduct;
- working collaboratively with the Public Sector Commission to examine misconduct management processes within public authorities and using a range of strategies, such as surveys and systems audits, providing advice, and where appropriate, recommendations aimed at process improvements;
- reporting to appropriate authorities, relevant Ministers and the Parliament of Western Australia about serious misconduct investigations highlighting areas of risk, lessons to be learnt and where appropriate, making recommendations (see pg. 46);
- delivery of 17 presentations by the Commissioner and other officers regarding serious misconduct themes and issues to 850 participants. These included amongst others, presentations to various TAFE colleges, universities, legal bodies and the Western Australian Local Government Association;
- Assisting in the induction program for the newly established interim Health Service Boards on 14 June 2016;
- delivery of eight sessions to 542 participants as part of the Australian Public Sector Anti-corruption Conference 2015 (see pg. 45); and
- sponsoring of the 2016 Institute of Public Administration Australia Achievement Awards recognising individual and organisational excellence in public service.

International Anti-corruption Day

Reporting corruption is everybody's responsibility

On 9 December 2015, the Commission recognised International Anti-corruption Day by releasing a clip on its website about 'the seven deadly sins of corruption' and calling for public officers to be vigilant in the ongoing battle to root out corruption and preserve the integrity of their agencies.

The theme of the United Nations sponsored International Anti-corruption Day campaign for 2015 was 'Break the corruption chain'. The theme highlights how corruption undermines democracy and the rule of law, leads to human rights violations, distorts markets, erodes quality of life and allows organised crime, terrorism and other threats to human security to flourish.

In a media release, Commissioner McKechnie commented that although WA is relatively free of corruption compared to levels that exist on a global scale, WA is clearly not immune from many forms of corruption. Corruption transcends borders and is always local in its impact.

HELPING PREVENT WESTERN AUSTRALIA POLICE MISCONDUCT

Key result:

In 2015-16 the Commission produced

2 Reports

highlighting systemic issues in Western Australia Police:

1 ***Report on Operation Aviemore: Major Crime Squad investigation into the unlawful killing of Joshua Warneke*** **- highlighting flaws in the handling of indigenous witnesses and suspects and recommending ongoing training be provided to officers in dealing with Aboriginal people; and**

1 ***Report on the response of WA Police to a particular incident of domestic violence*** **- made a number of observations about the conduct of police involved.**

In March 2016, Commissioner McKechnie presented to 45 police officers on the 'Western Australia Police Senior Investigation Officer Course' about challenges for investigators in the current environment.

The Commission's oversight responsibilities for Western Australia Police differ from the wider public sector. Whereas minor misconduct is now reported to and assessed by the Public Sector Commission, all Western Australia Police misconduct (including allegations against sworn and unsworn officers, persons seconded to the role and contractors) are reported to and assessed by the Commission. Under the CCM Act all police misconduct allegations, whether they constitute serious misconduct, misconduct or reviewable police action, are defined as serious misconduct. Western Australia Police misconduct allegations represent approximately 57 percent of all allegations received and assessed in 2015-16.

The Commission also retains a prevention and education function to help prevent police misconduct. During the reporting period, the Commission exercises this function in a number of ways.

- The Assessment, Monitor and Review Directorate consults and liaises daily with the Western Australia Police Professional Standards Portfolio in relation to allegations against police.
- Advice is provided to the police on the quality of actions taken in response to allegations referred, the outcomes reached and, where appropriate, recommendations for change are made. In 2015-16, 60 allegations of police misconduct subject to action by Western Australia Police were determined for review.
- Engaging in cooperative investigations with the police and if required, other agencies in relation to police misconduct. Six cooperative investigations were conducted in this reporting period.
- Conducting investigations following which police officers may be criminally charged and/or reports produced.
- Commission officers presenting at specific police forums and police officers co-presenting at a Commission workshop.
- Western Australia Police member funded by the Commission to attend the 2015 Australian Public Sector Anti-corruption Conference (APSACC).
- Providing Commission reports and recommendations to the Commissioner of Police, the Minister for Police or by tabling the reports in the Parliament of Western Australia.

Collaboration between the Commission and Western Australia Police continues to be extremely productive.

CRIMINAL INVESTIGATION (COVERT POWERS) ACT 2012

Providing assurance that extraordinary covert powers used in law enforcement operations are not misused.

A controlled operation may involve an authorised participant engaging in unlawful conduct. The *Criminal Investigation (Covert Powers) Act 2012* provides protection to the participant from criminal responsibility where the conduct has been authorised in accordance with that Act.

Case study 14:

Improving practice

Western Australia Police conduct the vast majority of controlled operations inspected by the Commission and are largely compliant with legislative responsibilities.

The Commission and Western Australia Police have forged a robust and positive working relationship to meet the requirements of the *Criminal Investigation (Covert Powers) Act 2012*.

The Commission has noted a significant improvement in the accuracy of their controlled operation records, reflecting the changes they have made to practices and policies.

The *Criminal Investigation (Covert Powers) Act 2012* requires the Commission to inspect records of controlled operations conducted by Western Australia Police, the Department of Fisheries and the Australian Crime Commission. Each of these agencies report to the Commission on their controlled operations and the Commission provides individual annual reports on their activities to the responsible Minister for tabling in the Parliament of Western Australia.

Table 10 shows that throughout the 2015-16 reporting period, the Commission inspected 62 agency controlled operation records.

In fulfilling this role, the Commission considers whether the agencies have complied with the requirements of the *Criminal Investigation (Covert Powers) Act 2012*. Where areas of concern are identified these are fed back to the agency.

Table 10: Agency controlled operation records inspected by the Commission

Inspections of controlled operations						
Public authority	Controlled operation authorisations	Variation to authorities	Applications refused	Applications withdrawn	Retrospective authorities	Total
Western Australia Police	46	11	1	-	-	58
Department of Fisheries	3	1	-	-	-	4
Australian Crime Commission[32]	-	-	-	-	-	-
Total	**49**	**12**	**1**	**-**	**-**	**62**

[32] While the Australian Crime Commission did not conduct any controlled operations the Commission inspected the Australian Crime Commission "General Register" to ensure compliance with the *Criminal Investigation (Covert Powers) Act 2012*.

COOPERATING WITH INTEGRITY BODIES

Quote:

Commissioner McKechnie, QC in his Foreword to the 2015 APSACC said

"…Corruption affects everyone. As an open commerce nation, Australia is not complacent. Corruption distorts markets and lessens the confidence of trading partners.

An independent judiciary, open government and integrity agencies all contribute to Australia's enviable reputation as a reliable nation for trade and commerce.

On the local level, corrupt abuse of authority and power can weaken the social compact between citizen and state."

The Commission works collaboratively with other integrity and anti-corruption bodies, both locally and interstate, exchanging information, expertise and best practice approaches to help prevent and combat serious misconduct and corruption within and across jurisdictions.

Commissioners Meeting: the Commissioners of the national anti-corruption agencies meet annually or as required to discuss developments and share information and experience.

Anti-corruption Commissions Legal Forum (Forum): Commission staff attended the inaugural event held in Adelaide in July 2015 and the second event in Canberra in February 2016. The Forum was established to bring lawyers from Anti-corruption Commissions around Australia together to:

- share and learn from common experiences and attend focussed legal presentations on relevant anti-corruption issues; and
- create a national network for sharing information and providing access to lawyers with relevant legal expertise dealing with similar laws and legal issues.

The network created by the Forum has proved to be an invaluable tool. Important cases in each jurisdiction have been circulated immediately upon judgement being given, legal experiences and views have been shared on particular issues as they've arisen, and discussion and input has been provided in relation to policies and procedures in place, or being developed, in the various States and Territories.

Working cooperatively with anti-corruption agencies in other States: the Operations Directorate provided the schema for the Commission's Galaxy database to both the Independent Broad-based Anti-corruption Commission in Victoria and the South Australian Independent Commission Against Corruption.

The Galaxy database was developed by the Commission's intelligence analysts and is used for analysis of large data sets to identify linkages between entities. When requested, investigations staff also assist interstate anti-corruption agencies on operational matters.

Australian Public Sector Anti-corruption Conference: is a shared initiative of the Commission, the New South Wales Independent Commission Against Corruption and the Queensland Crime and Corruption Commission. APSACC provides an opportunity for Australian and international public officials to network and share information about contemporary anti-corruption trends and strategies and corruption investigation techniques. In November 2015, the fifth APSACC was held in Brisbane and attended by approximately 500 participants from all tiers of government across Australia and overseas. As a co-host, the Commissioner and other Commission employees contributed to the conference program by chairing panels, facilitating workshops, and presenting papers highlighting the work of the Commission in addressing corruption risks within WA.

Integrity Coordinating Group (ICG): the ICG was formed in 2004 to promote collaboration and operational coordination between the State oversight agencies responsible for the promotion of integrity within the public sector. The ICG meets quarterly and is comprised of the Commissioner, the Ombudsman Western Australia, the Auditor General, the Information Commissioner, and the Public Sector Commissioner. The ICG published '*Taking action on integrity issues - a guide for public officers*' and a reviewed '*Gifts, benefits and hospitality - a guide to good practice*'.

PUBLISHED REPORTS AND RECOMMENDATIONS

Key result:

9
Reports produced:

- **6** published reports tabled in the Parliament of Western Australia;
- **1** report provided to the Premier; and
- **2** reports provided to the responsible Ministers.

32
Recommendations made.

Published reports

Part 5 of the CCM Act sets out how the Commission may report on the results of its investigations and other matters. Reports educate and inform the public sector and are necessary in the public interest to enable informed action to address misconduct risks. Reports also enable the Parliament of Western Australia and the WA community to be satisfied that significant public sector misconduct allegations and issues are dealt with transparently and accountably.

The Commission takes decisions about releasing information to the public very seriously and does so only after a determination that the benefits of public exposure and public awareness outweigh the potential for prejudice and privacy infringements.

The Commission is obliged to afford any persons adversely named or affected by Commission reports procedural fairness.

Recommendations

Based on its assessments, investigations and other actions, the Commission may make recommendations to an independent agency or appropriate authority about:

- whether consideration should or should not be given to prosecuting or taking disciplinary action against particular persons; or
- taking other action in relation to identified matters.

During the 2015-16 reporting period, the Commissioner approved 32 recommendations in relation to matters resulting from 12 investigations. Five of these investigations, including associated recommendations, were the subject of Commission reports.[33]

Recommendations have been made to appropriate authorities such as the Department of Commerce, Western Australia Police, the Department of Health, Main Roads Western Australia, the City of Perth and Landcorp. One recommendation was made to the Parliament of Western Australia in relation to the review of the *Local Government Act 1995* to prohibit travel expense contributions.

The Commission made only one recommendation that consideration be given to taking disciplinary action against a particular public officer.

[33] Four reports were tabled in the Parliament of Western Australia and one was provided to the responsible Minister.

The remaining recommendations addressed a broad range of actions aimed at reducing future misconduct risk as follows:

- provision of training to targeted employee groups and others regarding their roles, responsibilities and associated legislative, policy and contractual requirements in areas of identified risk. These included the use of government purchasing cards, income declarations for medical practitioners using hospital facilities, the exercise of powers and responsibilities under the *Criminal Investigations Act 2006*, the custody and treatment of detainees, communication, conflict resolution and negotiation skills, and managing conflicts of interests;
- improving how Aboriginal and non-English speaking people are dealt with through the implementation of ongoing cultural sensitivity training and adjusting standard administrative practices to be more culturally sensitive, for example in the issuing of cautions;
- review of policy and procedures, including improvements to on-line accessibility and delivery of related training. Examples include the Western Australia Police Corporate Knowledge Database, person of interest investigative strategies, review of custody management procedures and the development of a compliance checklist, and secondary employment policy guidelines;
- technology upgrades to improve security of sensitive information and auditing access to restricted databases to identify potential misuse;
- strengthening of business practices related to the oversight, audit and reconciliation of financial matters. For example billing and collection activities, the management of government leased property owned by employees and a requirement to use only qualified and independent accountants;
- improvements to compliance monitoring activities. Examples include recording legal challenges and their outcome during criminal proceedings, using audio recording devices in strip search rooms, creation of a dedicated and independent position responsible for auditing compliance with custody management requirements and supervision of untrained police auxiliary and custody officers by a senior sworn police officer; and
- recording, review and periodic audit of discretionary decision making that could be subject to improper influence or inappropriate considerations. For example, decisions about whether or not to charge, or to action road traffic compliance reports.

Case study 15:

Purchase of land[34]

The *Report on the Purchase of Land in the Australian Marine Complex Henderson by a Senior Officer of LandCorp* highlights a breach of the integrity of government, which occurs when a public servant or agent corruptly uses the information available to them for personal gain.

The Commission formed an opinion that a LandCorp officer engaged in serious misconduct - using confidential, inside information for personal gain.

The LandCorp officer and a JLL Australia agent (whose employment was terminated by JLL) were trusted to market and sell land in the Australian Marine Complex in Henderson. Both dishonestly used inside knowledge to purchase Lot 69 Contest Link at Henderson after the seller, a mining services business that fell into financial difficulties could not develop the land.

The LandCorp officer deceived LandCorp into believing the original owners were developing the land, keeping his own involvement hidden. The two men breached the code of ethics by which each was bound. In the Commission's opinion, the LandCorp Officer engaged in serious misconduct by corruptly taking advantage of his employment to gain a benefit for himself and the JLL Australia agent. Though the Commission has no jurisdiction over the JLL Australia agent, as he was not a public officer, the report found his actions were intertwined with those of the LandCorp officer.

The report recommended that LandCorp reinforce the need for compliance with its conflict of interest policy with staff and contractors.

Case study 16:

East Perth watch house[35]

The Commission's *Report on the Investigation of an Incident at the East Perth Watch House on 7 April 2013* details six recommendations made by the Commission to ensure that no person in custody is subjected to the kind of treatment meted out to a woman detained in the East Perth Watch House in April 2013.

The Commission formed opinions of serious misconduct, misconduct or reviewable police action in relation to five officers and the report makes clear that her treatment should not be viewed as normal and is not acceptable.

During the course of the investigation and reporting period the Commission sought a response from Western Australia Police to its findings and recommendations, a summary of which is included in the report.

The report states that
"… since the transfer of operations to the Perth Watch House in Northbridge some steps have been taken to improve handling and other procedures. Nonetheless, the Commission is of the view that urgent attention is still required in relation to the training and supervision of officers, particularly but not exclusively police auxiliary and custody officers, such to include a review of their training and the implementation of a form of induction prior to undertaking duties at the Watch House."

[34] Corruption and Crime Commission, *Report on a Purchase of Land in the Australian Marine Complex Henderson by a Senior Officer of LandCorp* (20 June 2016).
[35] Corruption and Crime Commission, *Report on the Investigation of an Incident at the East Perth Watch House on 7 April 2013* (20 August 2015).

FINANCIALS CONTENTS

For the year ended 30 June 2016

Independent Audit Opinion		50
Certification of Financial Statements		52
Statement of Comprehensive Income		53
Statement of Financial Position		55
Statement of Changes in Equity		57
Statement of Cash Flows		58
Notes to the Financial Statements:		60
1	Australian Accounting Standards	60
2	Summary of significant accounting policies	60
3	Judgements made by management in applying accounting policies	67
4	Key sources of estimation uncertainty	67
5	Disclosure of changes in accounting policy and estimates	68
6	Employee benefits expense	74
7	Supplies and services	74
8	Depreciation and amortisation expense	74
9	Accommodation expenses	74
10	Other expenses	75
11	Net gain/(loss) on disposal of non-current assets	75
12	Other revenue	75
13	Income from State Government	75
14	Restricted cash and cash equivalents	76
15	Receivables	76
16	Amounts receivable for services (holding account)	76
17	Other current assets	76
18	Plant and equipment	77
19	Intangible assets	79
20	Impairment of assets	79
21	Payables	79
22	Provisions	79
23	Equity	81
24	Notes to the Statement of Cash Flows	82
25	Commitments	83
26	Contingent liabilities	83
27	Events occurring after the end of the reporting period	83
28	Explanatory statement	84
29	Financial Instruments	91
30	Remuneration of senior officers	96
31	Remuneration of the auditor	97
32	Related bodies	97
33	Supplementary financial information	97
34	Schedule of income and expense by service	98
Key Performance Indicators		99
Other Financial Disclosures		103

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

CORRUPTION AND CRIME COMMISSION

Report on the Financial Statements

I have audited the accounts and financial statements of the Corruption and Crime Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Opinion
In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Corruption and Crime Commission at 30 June 2016 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Commissioner's Responsibility for the Financial Statements
The Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility 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 based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating the overall presentation of the financial statements.

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

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500 FAX: 08 6557 7600

Report on Controls

I have audited the controls exercised by the Corruption and Crime Commission during the year ended 30 June 2016.

Controls exercised by the Corruption and Crime 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.

Opinion
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 2016.

Commissioner's Responsibility for Controls
The Commissioner is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility for the Audit of Controls
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Corruption and Crime Commission based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Report on the Key Performance Indicators

I have audited the key performance indicators of the Corruption and Crime Commission for the year ended 30 June 2016.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Opinion
In my opinion, in all material respects, the key performance indicators of the Corruption and Crime Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2016.

Commissioner's Responsibility 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 controls as the Commissioner determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility for the Audit of Key Performance Indicators
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commissioner's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Independence
In conducting the above audits, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators
This auditor's report relates to the financial statements and key performance indicators of the Corruption and Crime Commission for the year ended 30 June 2016 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 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 or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
16 September 2016

Page 3 of 3

CERTIFICATION OF FINANCIAL STATEMENTS

For the year ended 30 June 2016

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 2016 and the financial position as at 30 June 2016.

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

Jeffrey Morris
ACTING CHIEF FINANCE OFFICER

15 September 2016

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Note	2016 $000	2015 $000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	17,194	20,252
Supplies and services	7	3,468	3,895
Depreciation and amortisation expense	8	1,195	1,732
Accommodation expenses	9	4,483	4,478
Other expenses	10	1,076	1,454
Total cost of services		**27,416**	**31,811**
Income			
Revenue			
Other revenue	12	112	272
Total revenue		**112**	**272**
Gains			
Gain on disposal of non-current assets	11	15	2
Total gains		**15**	**2**
Total income other than income from State Government		**127**	**274**
NET COST OF SERVICES		**27,289**	**31,537**

Table continued on next page >

< Table continued from previous page

	Note	2016 $000	2015 $000
Income from State Government			
Service appropriation	13	29,017	33,647
Services received free of charge	13	14	24
Total income from State Government		**29,031**	**33,671**
SURPLUS FOR THE PERIOD		**1,742**	**2,134**
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	23	-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,742**	**2,134**

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

See also Note 34 ‘Schedule of income and expense by service’.

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2016

	Note	2016 $000	2015 $000
ASSETS			
Current assets			
Cash and cash equivalents	24	10,874	8,285
Restricted cash and cash equivalents	14	-	720
Receivables	15	324	222
Amounts receivable for services	16	1,470	2,427
Other current assets	17	410	864
Total current assets		**13,078**	**12,518**
Non-current assets			
Receivables	15	135	135
Amounts receivable for services	16	16,726	16,932
Plant and equipment	18	2,535	2,310
Intangible assets	19	120	153
Total non-current assets		**19,516**	**19,530**
TOTAL ASSETS		**32,594**	**32,048**
LIABILITIES			
Current liabilities			
Payables	21	119	906
Provisions	22	3,201	3,480
Total current liabilities		**3,320**	**4,386**

Table continued on next page >

< Table continued from previous page

	Note	2016 $000	2015 $000
Non current liabilities			
Provisions	22	816	946
Total non-current liabilities		**816**	**946**
TOTAL LIABILITIES		**4,136**	**5,332**
NET ASSETS		**28,458**	**26,716**
EQUITY			
Contributed equity	23	19,483	19,483
Accumulated surplus	23	8,975	7,233
TOTAL EQUITY		**28,458**	**26,716**

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 2016

	Note	Contributed equity	Reserves	Accumulated surplus / (deficit)	Total equity
		$000	$000	$000	$000
Balance at 1 July 2014	23	**19,483**	**-**	**5,099**	**24,582**
Deficit		-	-	2,134	2,134
Total comprehensive income for the period		-	-	2,134	2,134
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2015		**19,483**	**-**	**7,233**	**26,716**
Balance at 1 July 2015		19,483	-	7,233	26,716
Surplus		-	-	1,742	1,742
Total comprehensive income for the period		-	-	1,742	1,742
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Total		**-**	**-**	**-**	**-**
Balance at 30 June 2016		**19,483**	**-**	**8,975**	**28,458**

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 2016

	Note	2016 $000	2015 $000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		27,752	30,861
Holding account drawdown		2,427	1,211
Net cash provided by State Government		**30,179**	**32,072**
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(18,285)	(20,962)
Supplies and services		(3,410)	(3,807)
Accommodation		(4,362)	(4,640)
GST payments on purchases		(989)	(1,029)
Other payments		(1,033)	(1,452)
Receipts			
GST receipts on sales		40	29
GST receipts from taxation authority		987	955
Other receipts		97	272
Net cash provided by/(used in) operating activities	24	**(26,955)**	**(30,634)**

Table continued on next page >

< Table continued from previous page

	Note	2016 $000	2015 $000
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(1,397)	(588)
Receipts			
Proceeds from sale of non-current physical assets		42	38
Net cash provided by/(used in) investing activities		**(1,355)**	**(550)**
Net increase in cash and cash equivalents		**1,869**	**888**
Cash and cash equivalents at the beginning of the period		**9,005**	**8,117**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	24	**10,874**	**9,005**

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

1 Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Commission has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2016.

2 Summary of significant accounting policies

(a) General statement

The Commission is a not for profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act 2006 and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

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

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

The judgements that have been made in the process of applying the Commission's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 '*Judgements made by management in applying accounting policies*'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 4 '*Key sources of estimation uncertainty*'.

(c) Reporting entity

The reporting entity comprises the Commission and entities listed at note 32 *'Related bodies'*.

Summary of significant accounting policies (continued)

(d) Contributed equity

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 by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital 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.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(e) Income

Revenue recognition

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

Interest

Revenue is recognised as the interest accrues.

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at the Department of Treasury.

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Plant and equipment

Capitalisation / expensing of assets

Items of plant and equipment costing $5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. 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).

Initial recognition and measurement

Plant and equipment are initially recognised at cost.

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

Summary of significant accounting policies (continued)

Subsequent measurement

Subsequent to initial recognition as an asset, the historical cost model is used for the measurement for plant and equipment. All items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Derecognition

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

Depreciation

All non-current assets 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.

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

Leasehold Improvements	Up to 10 years or remaining period of lease
Computer Equipment	3 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.

(g) Intangible assets

Capitalisation / expensing of assets

Acquisitions of intangible assets costing $5,000 or more and internally generated intangible assets costing $50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

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

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

The expected 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 any related hardware.

Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. 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.

Summary of significant accounting policies (continued)

Website costs

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

(h) Impairment of assets

Plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to the recoverable amount, an impairment is recognised in profit or loss. Where a previously revalued asset is written down to the recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Commission is a not for profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

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 asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

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

Refer to note 20 'Impairment of assets' for outcome of impairment reviews and testing. Refer also to note 2(n) 'Receivables' and Note 15 'Receivables' for impairment of receivables.

(i) Leases

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

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(j) Financial instruments

In addition to cash, the Commission has two categories of financial instrument:

- Receivables; and
- Financial liabilities measured at amortised cost.

Summary of significant accounting policies (continued)

Financial instruments have been disaggregated into the following classes:

Financial assets:

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

Financial liabilities:

- Payables.

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

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

(k) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash 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.

(l) Accrued salaries

Accrued salaries (see note 21 '*Payables*') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(m) Amounts receivable for services (holding account)

The Commission receives income from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

See also note 13 'Income from State Government' and note 16 'Amounts receivable for services'.

(n) Receivables

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

(o) Payables

Payables are recognised 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.

Summary of significant accounting policies (continued)

(p) Provisions

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

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are 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.

The provision for annual leave is classified as a current liability 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.

Long service leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are 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.

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.

Sick leave

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.

Summary of significant accounting policies (continued)

Purchased leave

The provision for purchased leave relates to public service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

Superannuation

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in WA in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

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

The Commission has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Commission to the GESB.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund. The Commission makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Commission's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

Provisions - other

Employment on-costs

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

(q) Superannuation expense

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, and other superannuation funds.

Summary of significant accounting policies (continued)

(r) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost are recognised as income at the fair value of the assets and / or the fair value of those services that can be reliably measured and the Commission would otherwise pay for. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(s) Comparative figures

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

3 Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Commission evaluates these judgements regularly.

Operating lease commitments

The Commission has entered into leases for buildings for office accommodation. These leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

4 Key sources of estimation uncertainty

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.

Long service leave

Several estimations and assumptions used in calculating the Commission's long service leave provision 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.

5 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2015 that impacted on the Commission.

AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*

Part C of this Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Commission has not yet determined the application or the potential impact of AASB 9.

AASB 2014-8 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]*

This Standard makes amendments to AASB 9 *Financial Instruments* (December 2009) and AASB 9 *Financial Instruments* (December 2010), arising from the issuance of AASB 9 *Financial Instruments* in December 2014. The Commission has not yet determined the application or the potential impact of AASB 9.

AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.

Disclosure of changes in accounting policy and estimates (continued)

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. By virtue of a limited exemption, the Commission has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Where applicable, the Commission plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	*Financial instruments* This Standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement*, introducing a number of changes to accounting treatments. The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 *Amendments to Australian Accounting Standards*. The Commission has not yet determined the application or the potential impact of the Standard.	1 January 2018
AASB 15	*Revenue from contracts with customers* This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Commission has not yet determined the application or the potential impact of the Standard.	1 January 2018
AASB 16	*Leases* This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Commission has not yet determined the application or the potential impact of the Standard.	1 January 2019
AASB 1057	*Application of Australian Accounting Standards* This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.	1 January 2016

Disclosure of changes in accounting policy and estimates (continued)

		Operative for reporting periods beginning on/after
AASB 2010-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]* This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.	1 January 2018
AASB 2014-1	*Amendments to Australian Accounting Standards* Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Commission to determine the application or potential impact of the Standard.	1 January 2018
AASB 2014-3	*Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]* The Commission establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.	1 January 2016
AASB 2014-4	*Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]* The adoption of this Standard has no financial impact for the Commission as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.	1 January 2016

Disclosure of changes in accounting policy and estimates (continued)

		Operative for reporting periods beginning on/after
AASB 2014-5	*Amendments to Australian Accounting Standards arising from AASB 15* This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.	1 January 2018
AASB 2014-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.	1 January 2018
AASB 2014-9	*Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]* This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Commission has not yet determined the application or the potential impact of the Standard.	1 January 2016
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128] This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Commission has not yet determined the application or the potential impact of the Standard.	1 January 2016

Disclosure of changes in accounting policy and estimates (continued)

		Operative for reporting periods beginning on/after
AASB 2015-1	*Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]* These amendments arise from the issuance of International Financial Reporting Standard *Annual Improvements to IFRSs 2012–2014 Cycle* in September 2014, and editorial corrections. The Commission has not yet determined the application or the potential impact of the Standard.	1 January 2016
AASB 2015-2	*Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]* This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.	1 January 2016
AASB 2015-6	*Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]* The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. The Commission has not yet determined the application of the Standard, though there is no financial impact.	1 July 2016
AASB 2015-8	*Amendments to Australian Accounting Standards – Effective Date of AASB 15* This Standard amends the mandatory effective date (application date) of AASB 15 *Revenue from Contracts with Customers* so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Commission has not yet determined the application or the potential impact of AASB 15.	1 January 2017

Disclosure of changes in accounting policy and estimates (continued)

		Operative for reporting periods beginning on/after
AASB 2015-10	*Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 & 128* This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. The Commission has not yet determined the application or the potential impact of AASB 2014-10.	1 January 2016
AASB 2016-2	*Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* This Standard amends AASB 107 *Statement of Cash Flows* (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.	1 January 2017
AASB 2016-3	*Amendments to Australian Accounting Standards – Clarifications to AASB 15* This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Commission has not yet determined the application or the potential impact.	1 January 2018
AASB 2016-4	*Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*. The Authority has not yet determined the application or the potential impact.	1 January 2017

Changes in accounting estimates

There were no changes in accounting estimates that have an effect in the current period or are expected in the future.

6 Employee benefits expense

	2016 $000	2015 $000
Wages and salaries [a]	15,688	18,323
Superannuation - defined contributions plans [b]	1,506	1,929
	17,194	**20,252**

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, Gold State and GESBS and other eligible funds.

Employment on-costs expenses, such as workers' compensation insurance, are included at note 10 '*Other expenses*'.

Employment on costs liability is included at note 22 '*Provisions*'.

7 Supplies and services

	2016 $000	2015 $000
Communications	464	422
Consultants and contractors	2,111	2,430
Motor vehicle expenses	203	216
Legal expenses	266	213
Publications and printing	12	37
Consumables	209	237
Minor plant and equipment	129	208
Travel	74	132
	3,468	**3,895**

8 Depreciation and amortisation expense

	2016 $000	2015 $000
Depreciation		
Office equipment	19	26
Computer equipment	316	830
Operations equipment and motor vehicles	438	508
Leasehold improvements	347	289
Total depreciation	**1,120**	**1,653**
Amortisation		
Software	75	79
Total amortisation	**75**	**79**
Total depreciation and amortisation	**1,195**	**1,732**

9 Accommodation expenses

	2016 $000	2015 $000
Lease expense	3,168	3,137
Building outgoings	486	416
Parking	235	249
Cleaning	90	116
Electricity and water	407	410
Repairs and maintenance	97	150
	4,483	**4,478**

10 Other expenses

	2016 $000	2015 $000
Equipment repairs and maintenance	49	49
Employment on-costs	948	1,265
Audit fees	73	134
Other expenses	6	6
	1,076	**1,454**

11 Net gain/(loss) on disposal of non-current assets

	2016 $000	2015 $000
Net proceeds from disposal of non-current assets		
Operations equipment and motor vehicles	42	38
Carrying amount of non-current assets disposed		
Operations equipment and motor vehicles	(27)	(36)
Net gain/(loss)	**15**	**2**

12 Other revenue

	2016 $000	2015 $000
Other revenue	87	250
Contributions to government vehicle scheme	25	22
	112	**272**

13 Income from State Government

	2016 $000	2015 $000
Appropriation received during the period:		
Service appropriation [a]	29,017	33,647
	29,017	**33,647**
Services received free of charge [b]		
Determined on the basis of the following estimates provided by the relevant agencies:		
Building Management and Works	9	8
State Solicitors Office	5	16
	14	**24**

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

(b) Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.

14 Restricted cash and cash equivalents

	2016 $000	2015 $000
Current		
Accrued salaries expense account [(a)]	-	720
	-	**720**
Non-current		
Accrued salaries expense account [(a)]	-	-
	-	**-**

(a) Funds held in the suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years. The balance of funds in the account were used to fund the 27th pay on 30 June 2016. The next 27th pay will fall during the 2026-27 Financial Year.

15 Receivables

	2016 $000	2015 $000
Current		
Receivables	174	30
Allowance for impairment of receivables	-	-
Goods and Services Tax (GST) receivable	150	192
	324	**222**
Non-current		
Receivables	135	135
	135	**135**

The Commission does not hold any collateral or other credit enhancements as security for receivables.

See also note 2(n) 'Receivables' and note 29 'Financial instruments'.

16 Amounts receivable for services (holding account)

	2016 $000	2015 $000
Current	1,470	2,427
Non-current	16,726	16,932
	18,196	**19,359**

Represents 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.

See also note 2(n) 'Receivables' and note 29 'Financial instruments'.

17 Other current assets

	2016 $000	2015 $000
Prepayments	410	864
	410	**864**

18 Plant and equipment

	2016 $000	2015 $000
Office equipment		
At cost	255	288
Accumulated depreciation	(224)	(239)
	31	**49**
Computer equipment		
At cost	4,012	3,676
Accumulated depreciation	(3,415)	(3,099)
	597	**577**
Operations equipment and motor vehicles		
At cost	5,626	5,875
Accumulated depreciation	(4,933)	(4,816)
	693	**1,059**

	2016 $000	2015 $000
Leasehold improvements		
At cost	6,427	6,192
Accumulated depreciation	(6,010)	(5,689)
	417	**503**
Works in progress		
At cost	797	122
	797	**122**
	2,535	**2,310**

Plant and equipment (continued)

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the reporting period are set out in the table below.

	Office equipment	Computer equipment	Operations equipment vehicles	Leasehold improvements	Works in progress	Total
	$000	$000	$000	$000	$000	$000
2016						
Carrying amount at start of year	49	577	1,059	503	122	2,310
Additions	-	336	98	139	797	1,370
Movements	-	-	-	122	(122)	-
Disposals	-	-	(26)	-	-	(26)
Depreciation	(18)	(316)	(438)	(347)	-	(1,119)
Carrying amount at end of year	31	597	693	417	797	2,535
2015						
Carrying amount at start of year	63	1,104	1,523	723	-	3,413
Additions	12	303	78	69	122	584
Disposals	-	-	(34)	-	-	(34)
Depreciation	(26)	(830)	(508)	(289)	-	(1,653)
Carrying amount at end of year	49	577	1,059	503	122	2,310

19 Intangible assets

	2016 $000	2015 $000
Computer software		
At cost	1,354	1,312
Accumulated amortisation	(1,234)	(1,159)
	120	**153**
Reconciliation		
Computer software		
Carrying amount at start of period	153	193
Additions	42	39
Amortisation expense	(75)	(79)
Carrying amount at end of period	**120**	**153**

20 Impairment of assets

There were no indications of impairment to property, plant and equipment, or intangible assets at 30 June 2016.

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.

All surplus assets at 30 June 2016 have either been classified as assets held for sale or written off.

21 Payables

	2016 $000	2015 $000
Current		
Payables	67	196
Accrued salaries	-	481
Accrued expenses	52	229
	119	**906**

See also note 2(o) 'Payables' and note 29 'Financial instruments'.

22 Provisions

	2016 $000	2015 $000
Current		
Employee benefits provision		
Annual leave [(a)]	1,110	1,175
Purchased leave [(c)]	21	51
Long service leave [(b)]	2,041	2,223
	3,172	**3,449**
Other provisions		
Employment on-costs [(d)]	29	31
	29	**31**
	3,201	**3,480**

Provisions (continued)

	2016 $000	2015 $000
Non-current		
Employee benefits provision		
Long service leave [b]	809	937
	809	**937**
Other provisions		
Employment on-costs [d]	7	9
	7	**9**
	816	**946**

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2016 $000	2015 $000
Within 12 months of the end of the reporting period	901	938
More than 12 months after the end of the reporting period	209	237
	1,110	**1,175**

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2016 $000	2015 $000
Within 12 months of the end of the reporting period	930	2,223
More than 12 months after the end of the reporting period	1,920	937
	2,850	**3,160**

(c) Deferred salary scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

	2016 $000	2015 $000
Within 12 months of the end of the reporting period	21	51
More than 12 months after the end of the reporting period	-	-
	21	**51**

Provisions (continued)

(d) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 10 '*Other expenses*'.

Movements in other provisions

	2016 $000	2015 $000
Movements in each class of provisions during the financial year, other than employee benefits, are set out below.		
Employment on-cost provision		
Carrying amount at start of period	40	46
Additional provisions recognised	948	1,265
Payments/other sacrifices of economic benefits	(952)	(1,271)
Carrying amount at end of period	**36**	**40**

23 Equity

Equity represents the residual interest in the net assets of the Commission. The Government holds the equity interest in the Commission on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

	2016 $000	2015 $000
Contributed equity		
Balance at start of period	19,483	19,483
Contributions by owners		
Capital appropriation	-	-
Balance at end of period	19,483	19,483
Accumulated surplus		
Balance at start of period	7,233	5,099
Result for the period	1,742	2,134
Balance at end of period	8,975	7,233
Total equity at end of period	**28,458**	**26,716**

24 Notes to the Statement of Cash Flows

	2016 $000	2015 $000
Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	10,874	8,285
Restricted cash and cash equivalents *(see note 14)*	-	720
	10,874	9,005
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(27,289)	(31,537)
Non-cash items:		
Depreciation and amortisation expense	1,195	1,732
Gain/loss from sale of non-current assets	(15)	(2)
Resources received free of charge	14	24
Adjustment for other non-cash items	30	(88)
(Increase)/decrease in assets:		
Current receivables [(a)]	(144)	85
Non-current receivables [(a)]	-	(135)
Other current assets	454	(48)
Increase/(decrease) in liabilities:		
Current payables [(a)]	(787)	85
Current provisions	(279)	(880)
Non-current provisions	(130)	127
Net GST receipts/(payments) [(b)]	38	(45)
Change in GST receivables/payables [(c)]	(42)	48
Net cash used in operating activities	(26,955)	(30,634)

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

(b) This is the net GST paid/received, i.e. cash transactions.

(c) This reverses out the GST in receivables and payables.

25 Commitments

	2016 $000	2015 $000
The commitments below are inclusive of GST where relevant.		
Non-cancellable operating lease commitments		
Office accommodation	5,251	8,217
Motor vehicles	55	96
	5,306	**8,313**
Commitments for minimum lease payments are payable as follows:		
Within 1 year	3,305	3,206
Later than 1 year and not later than 5 years	2,001	5,107
Later than 5 years	-	-
	5,306	**8,313**

26 Contingent liabilities

The Commission has no contingent liabilities.

27 Events occurring after the end of the reporting period

There have been no material events occurring after 30 June 2016.

28 Explanatory statement

All variances between estimates (original budget) and actual results for 2016, and between the actual results for 2016 and 2015 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- five percent and $0.636 million for the Statements of Comprehensive Income and Cash Flow; and
- five percent and $0.602 million for the Statement of Financial Position.

	Variance note	Original budget 2016	Actual 2016	Actual 2015	Variance between estimate and actual	Variance between actual results for 2016 and 2015
		$000	$000	$000	$000	$000
Statement of Comprehensive Income						
Employee benefits expense [a]	1, A	20,245	17,194	20,252	(3,051)	(3,058)
Supplies and services [d]		2,919	3,468	3,895	549	(427)
Depreciation and amortisation expense	2	2,897	1,195	1,732	(1,702)	(537)
Accommodation expense		4,332	4,483	4,478	151	5
Other expenses [a]		1,630	1,076	1,454	(554)	(378)
Total cost of services		**32,023**	**27,416**	**31,811**	**(4,607)**	**(4,395)**
Income						
Revenue						
Other revenue		40	112	272	72	(160)
Total revenue		**40**	**112**	**272**	**72**	**(160)**
Gains						
Gain on disposal of non-current assets		-	15	2	15	13
Total gains		**-**	**15**	**2**	**15**	**13**

Explanatory statement (continued)

	Variance note	Original budget 2016	Actual 2016	Actual 2015	Variance between estimate and actual	Variance between actual results for 2016 and 2015
		$000	$000	$000	$000	$000
Total income other than income from state government		**40**	**127**	**274**	**87**	**(147)**
NET COST OF SERVICES		**31,983**	**27,289**	**31,537**	**(4,694)**	**(4,248)**
Income from State Government						
Service appropriations	3, B	32,003	29,017	33,647	(2,986)	(4,630)
Services received free of charge		8	14	24	6	(10)
Total income from State Government		**32,011**	**29,031**	**33,671**	**(2,980)**	**(4,640)**
SURPLUS/(DEFICIT) FOR THE PERIOD		**28**	**1,742**	**2,134**	**1,714**	**(392)**
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	-	-	-	-
Total other comprehensive income		**-**	**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**28**	**1,742**	**2,134**	**1,714**	**(392)**

Explanatory statement (continued)

	Variance note	Original budget 2016	Actual 2016	Actual 2015	Variance between estimate and actual	Variance between actual results for 2016 and 2015
		$000	$000	$000	$000	$000
Statement of Financial Position						
ASSETS						
Current assets						
Cash and cash equivalents	4, C	7,442	10,874	8,285	3,432	2,589
Restricted cash and cash equivalents		-	-	720	-	(720)
Receivables		252	324	222	72	102
Amounts receivable for services		1,470	1,470	2,427	0	(957)
Other current assets		816	410	864	(406)	(454)
Total current assets		**9,980**	**13,078**	**12,518**	**3,098**	**560**
Non-current assets						
Receivables		-	135	135	135	-
Amounts receivable for services	5	14,359	16,726	16,932	2,367	(206)
Plant and equipment	6	5,694	2,535	2,310	(3,159)	225
Intangible assets		82	120	153	38	(33)
Total non-current assets		**20,135**	**19,516**	**19,530**	**(619)**	**(14)**
TOTAL ASSETS		**30,115**	**32,594**	**32,048**	**2,479**	**546**

Explanatory statement (continued)

	Variance note	Original budget 2016	Actual 2016	Actual 2015	Variance between estimate and actual	Variance between actual results for 2016 and 2015
		$000	$000	$000	$000	$000
LIABILITIES						
Current liabilities						
Payables	D	363	119	906	(244)	(787)
Provisions	7	4,399	3,201	3,480	(1,198)	(279)
Total current liabilities		**4,762**	**3,320**	**4,386**	**(1,442)**	**(1,066)**
Non-current liabilities						
Provisions		819	816	946	(3)	(130)
Total non-current liabilities		**819**	**816**	**946**	**(3)**	**(130)**
TOTAL LIABILITIES		**5,581**	**4,136**	**5,332**	**(1,445)**	**(1,196)**
NET ASSETS		**24,534**	**28,458**	**26,716**	**3,924**	**1,742**
EQUITY						
Contributed equity		19,483	19,483	19,483	-	-
Accumulated surplus		5,051	8,975	7,233	3,924	1,742
TOTAL EQUITY		**24,534**	**28,458**	**26,716**	**3,924**	**1,742**

Explanatory statement (continued)

	Variance note	Original budget 2016	Actual 2016	Actual 2015	Variance between estimate and actual	Variance between actual results for 2016 and 2015
		$000	$000	$000	$000	$000
Statement of Cash Flows						
CASH FLOW FROM GOVERNMENT						
Service appropriation	E	29,106	27,752	30,861	(1,354)	(3,109)
Holding account drawdowns	F	2,427	2,427	1,211	-	1,216
Net cash provided by State Government		**31,533**	**30,179**	**32,072**	**(1,354)**	**(1,893)**
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits [b]	8, G	(20,664)	(18,285)	(20,962)	2,379	2,677
Supplies and services [d]		(2,919)	(3,410)	(3,807)	(491)	397
Accommodation		(4,326)	(4,362)	(4,640)	(36)	278
GST payments on purchases [c]		(1,225)	(989)	(1,029)	236	40
Other payments [b] [c]		(1,353)	(1,033)	(1,452)	320	419
Receipts						
GST receipts on sales		3	40	29	37	11
GST receipts from taxation authority		1,203	987	955	(216)	32
Other receipts		40	97	272	57	(175)
Net cash provided by/(used in) operating activities		**(29,241)**	**(26,955)**	**(30,634)**	**2,286**	**3,679**

Explanatory statement (continued)

	Variance note	Original budget 2016	Actual 2016	Actual 2015	Variance between estimate and actual	Variance between actual results for 2016 and 2015
		$000	$000	$000	$000	$000
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets	9, H	(2,427)	(1,397)	(588)	1,030	(809)
Receipts						
Proceeds from sale of non-current assets		-	42	38	42	4
Net cash provided by/(used in) investing activities		**(2,427)**	**(1,355)**	**(550)**	**1,072**	**(805)**
Net increase/(decrease) in cash and cash equivalents		(365)	1,869	888	2,234	981
Cash and cash equivalents at the beginning of the period		7,807	9,005	8,117	1,198	888
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**7,442**	**10,874**	**9,005**	**3,432**	**1,869**

In certain instances, line item presentation of expenses and revenues in the Budget Papers varies slightly from that required in the presentation of the annual financial statements. For comparability, these items have been realigned as detailed below.

(a) Income Statement - An amount of $1.239 million representing other staffing costs has been transferred from 'Employee benefits' to 'Other expenses'.

(b) Statement of Cash Flow - An amount of $1.239 million representing other staffing costs has been transferred from 'Employee benefits' to 'Other payments'.

(c) Statement of Cash Flow - An amount of $1.225 million representing GST paid on purchases has been transferred from 'Other payments' to 'GST Payments on purchases'.

(d) Statement of Cash Flow and Income Statement - An amount of $0.399 million representing vehicle expenses transferred from 'Other Expenses/Payments' to 'Supplies and Services'.

The 'Original Budget 2016' presented in this explanatory statement (Note 28) is the budget appropriated to the Commission as part of the 2015-16 Budget process and contained in the 2015-16 Budget Papers. It does not incorporate adjustments made to the Commission's appropriation throughout the 2015-16 financial year.

Explanatory statement (continued)

Major variance narratives

Variances between estimate and actual.

Statement of Comprehensive Income

1 Employee benefits expense underspent by $3.0 million (14.8%) as a result of a whole of Government recruitment freeze imposed across Government between 21 December 2015 and 30 June 2016 to address whole of government budget pressures.

2 Depreciation and amortisation underspent by $1.7 million (58.8%) as a result of the Commission returning unused holding account funding during 2014-15 and subsequently updating its strategic asset plan during 2015-16.

3 Service appropriation underspent by $3.0 million (9.3%) due to the combined effects of updating the strategic asset plan during 2015-16 and the return of unused funding to government as a result of savings associated with the whole of Government recruitment freeze.

Statement of Financial Position

4 Cash and cash equivalents increased by $3.4 million (46.1%) following agreement from the Department of Treasury to retain partial savings attained from the recruitment freeze and apply these to fund the ongoing Commission organisational reform process as well applying current funding to future capital projects.

5 Amounts receivable for services non-current increased by $2.4 million (16.5%) as a result of the Commission updating its strategic asset plan and not requiring the same level of funds.

6 Plant and equipment decreased by $3.2 million (55.5%) as a result of the Commission updating its strategic asset plan and not requiring the same level of funds.

7 Current provisions decreased by $1.2 million (27.2%) as a combined result of the Commission's leave management policy and staff reductions associated with the governments' Workforce Renewal Policy and the machinery of government changes resulting in the transfer of minor misconduct and corruption prevention and education functions to the Public Sector Commission effective 1 July 2015.

Statement of Cash Flows

8 Employee benefits payments underspent by $2.3 million (11.3%) as a result of the introduction of the whole of Government recruitment freeze.

9 Purchase of non-current assets underspent by $1.0 million (52.4%) following Economic and Expenditure Review Committee approval to use current funding for future relocation purposes.

Variance between actual results for 2016 and 2015.

Statement of Comprehensive Income

A Employee benefits expense decreased by $3.0 million (17.5%) due to the combined effects of a Machinery of Government transfer of the oversight of minor misconduct and the corruption prevention and education functions to the Public Sector Commission effective 1 July 2015 and the introduction of the Government's Workforce Renewal Policy.

B Service appropriations decreased by $4.6 million (16%) due to the combined effects of a Machinery of Government transfer of the oversight of minor misconduct and the corruption prevention and education functions to the Public Sector Commission effective 1 July 2015, the introduction of the Government's Workforce Renewal Policy, the recruitment freeze and the update of the strategic asset plan.

Explanatory statement (continued)

Statement of Financial Position

C Cash and cash equivalents increased by $2.6 million (23.8%) following agreement from the Department of Treasury to retain partial savings attained from the recruitment freeze and apply these to fund the ongoing Commission organisational reform process.

D Payables reduced by $0.8 million (661%) due to the combined effect of non-accrual of salaries expenses as a result of the final pay for the year falling on 30 June 2016 and a reduction in creditors at 30 June 2016.

Statement of Cash Flows

E Service appropriations decreased by $3.1 million (11.2%) due to the combined effects of a Machinery of Government transfer of the oversight of non-police minor misconduct and the corruption prevention and education functions to the Public Sector Commission effective 1 July 2015 and the introduction of the Government's Workforce Renewal Policy and recruitment freeze.

F Holding account receipts decreased $1.2 million (50.1%) due to differing funding requirements associated with annual strategic asset programs.

G Employee benefits payments decreased by $2.6 million (14.4%) due to the combined effects of a Machinery of Government transfer of the oversight of non-police minor misconduct and the corruption prevention and education functions to the Public Sector Commission effective 1 July 2015 and the introduction of the Government's Workforce Renewal Policy.

H Purchases of non-current fixed assets increased by $0.8 million (57.9%) as a result of the Commission conducting an extensive review of its 'Strategic Asset Plan' which resulted in the deferment of some programs resulting in unspent capital funding of $1.0 million being returned to government in June 2015.

29 Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 29(c) '*Financial instruments disclosures*' and note 15 '*Receivables*'.

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

Financial instruments (continued)

Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due.

The Commission is exposed to liquidity risk through its trading in the normal course of business.

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

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks.

(b) Categories of 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 as follows:

	2016 $000	2015 $000
Financial assets		
Cash and cash equivalents	10,874	8,285
Restricted cash and cash equivalents	-	720
Loans and receivables [(a)]	18,505	19,524
Financial liabilities		
Financial liabilities measured at amortised cost	119	906

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

Financial instruments (continued)

(c) Financial instrument disclosures

Credit risk

The following table discloses the Commission's maximum exposure to credit risk and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

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

Aged analysis of financial assets

			Past due but not impaired					
	Carrying amount	Not past due and not impaired	Up to 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	More than 5 years	Impaired financial assets
	$000	$000	$000	$000	$000	$000	$000	$000
2016								
Cash and cash equivalents	10,874	10,874	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables [(a)]	309	309	-	-	-	-	-	-
Amounts receivable for services	18,196	18,196	-	-	-	-	-	-
	29,379	29,379	-	-	-	-	-	-
2015								
Cash and cash equivalents	8,285	8,285	-	-	-	-	-	-
Restricted cash and cash equivalents	720	720	-	-	-	-	-	-
Receivables [(a)]	165	165	-	-	-	-	-	-
Amounts receivable for services	19,359	19,359	-	-	-	-	-	-
	28,529	28,529	-	-	-	-	-	-

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

Financial instruments (continued)

Liquidity risk and interest rate exposure

The following table details the Commission's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities.

The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

			Interest rate exposure				Maturity dates				
	Weighted average effective interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Nominal amount	Up to 1 month	1 to 3 months	3 month to 1 year	1 - 5 years	More than 5 years
	%	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Financial assets											
2016											
Cash and cash equivalents	-	10,874	-	-	10,874	10,874	10,874	-	-	-	-
Restricted cash and equivalents	-	-	-	-	-	-	-	-	-	-	-
Receivables [(a)]	-	309	-	-	309	309	174	-	-	135	-
Amounts receivable for services	-	18,196	-	-	18,196	18,196	-	171	1,299	10,514	6,212
		29,379	-	-	29,379	29,379	11,048	171	1,299	10,649	6,212
Financial liabilities											
Payables	-	119	-	-	119	119	119	-	-	-	-
		119	-	-	119	119	119	-	-	-	-

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

Financial instruments (continued)

Interest rate exposure and maturity analysis of financial assets and financial liabilities

			Interest rate exposure				Maturity dates				
	Weighted average effective interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Nominal amount	Up to 1 month	1 to 3 months	3 month to 1 year	1 - 5 years	More than 5 years
	%	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Financial assets											
2015											
Cash and cash equivalents	-	8,285	-	-	8,285	8,285	8,285	-	-	-	-
Restricted cash and equivalents	-	720	-	-	720	720	720	-	-	-	-
Receivables [(a)]	-	165	-	-	165	165	165	-	-	-	-
Amounts receivable for services	-	19,359	-	-	19,359	19,359	-	-	-	6,097	13,262
		28,529	-	-	28,529	28,529	9,170	-	-	6,097	13,262
Financial liabilities											
Payables	-	906	-	-	906	906	906	-	-	-	-
		906	-	-	906	906	906	-	-	-	-

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

Interest rate sensitivity analysis

The Commission does not have any financial assets and liabilities that are subject to fluctuations in interest rates. As a result, the tables normally appearing in the notes have been deleted.

30 Remuneration of senior officers

Remuneration of members of the accountable authority

The number of members of the accountable authority, whose total of fees, salaries, superannuation, non monetary benefits and other benefits for the financial year, fall within the following bands are:

$	2016	2015
10,001 - 20,000	1	-
90,001 - 100,000	-	1
120,001 - 130,000	1	-
320,001 - 330,000	-	1
510,001 - 520,000	-	1
540,001 - 550,000	1	-

	$000	$000
Base remuneration and superannuation	558	746
Annual leave and long service leave accruals	1	4
Other benefits	117	175
Total remuneration of members of the accountable authority	**676**	**925**

Total remuneration includes the superannuation expense incurred by the Commission in respect of members of the accountable authority. In the Commission, members of the accountable authority are the Commissioner and Acting Commissioners as appointed under the CCM Act.

In 2015, the position of Commissioner was vacant until the appointment of Commissioner McKechnie on 28 April 2015. The role of Commissioner was filled by two acting Commissioners prior to this date.

Commissioner McKechnie also receives a pension in accordance with the Judges' *Salaries and Pensions Act 1950* equivalent to 60 percent of his judicial salary upon retirement. This equates to $267,884 per annum.

The number of senior officers, other than senior officers reported as members of the accountable authority, whose total fees, salaries, superannuation, non monetary benefits and other benefits for the financial year fall within the following bands are:

$	2016	2015
20,001 - 30,000	-	1
70,001 - 80,000	1	-
120,001 - 130,000	-	2
160,001 - 170,000	1	-
180,001 - 190,000	1	1
190,001 - 200,000	2	1
200,001 - 210,000	-	1
220,001 - 230,000	-	1
230,001 - 240,000	1	1
280,001 - 290,000	1	-
380,001 - 390,000	-	1
450,001 - 460,000	1	-

Remuneration of senior officers (continued)

	$000	$000
Base remuneration and superannuation	1,654	1,677
Annual leave and long service leave accruals	18	(76)
Other benefits	121	101
Total remuneration of senior officers	**1,793**	**1,702**

Total remuneration includes the superannuation expense incurred by the Commission in respect of senior officers other than senior officers reported as members of the accountable authority.

31 Remuneration of the auditor

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

	2016 $000	2015 $000
Auditing the accounts, financial statements and performance indicators	42	42

The expense is included at note 10 '*Other expenses*'.

32 Related bodies

The Commission had no related bodies during the financial year.

33 Supplementary financial information

	2016 $000	2015 $000
Write-offs		
Bad debts written off under the authority of the accountable authority[(a)]	-	-
	-	-

(a) Bad debts of $432 were written off during the financial year.

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	-	-

34 Schedule of income and expense by service

COST OF SERVICES	Building public sector integrity and capacity to deal with misconduct		Organised crime function		Total	
	2016 $000	2015 $000	2016 $000	2015 $000	2016 $000	2015 $000
Expenses						
Employee benefits expense	17,194	20,252	-	-	17,194	20,252
Supplies and services	3,468	3,895	-	-	3,468	3,895
Accommodation expenses	4,483	4,478	-	-	4,483	4,478
Depreciation and amortisation expense	1,195	1,732	-	-	1,195	1,732
Other expenses	1,076	1,454	-	-	1,076	1,454
Total cost of services	**27,416**	**31,811**	**-**	**-**	**27,416**	**31,811**
Income						
Other revenue	112	272	-	-	112	272
Gain on disposal of non-current assets	15	2	-	-	15	2
Total income other than from State Government	**127**	**274**	**-**	**-**	**127**	**274**
NET COST OF SERVICES	**27,289**	**31,537**	**-**	**-**	**27,289**	**31,537**
INCOME FROM STATE GOVERNMENT						
Service appropriation	29,017	33,647	-	-	29,017	33,647
Services received free of charge	14	24	-	-	14	24
Total income from State Government	**29,031**	**33,671**	**-**	**-**	**29,031**	**33,671**
Surplus for the period	**1,742**	**2,134**	**-**	**-**	**1,742**	**2,134**

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

CERTIFICATION OF PERFORMANCE INDICATORS

For the year ended 30 June 2016

I hereby certify that the Key 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 2016.

Hon. John McKechnie, QC
COMMISSIONER

15 September 2016

Key Performance Indicators

Service one: Building public sector agency integrity and capacity to deal with misconduct

Effectiveness indicators

Number of allegations received

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual
5,944	6,148	7,260	5,283	3,700	4,024

The Commission receives notifications of suspected misconduct from many sources, including public sector agencies that are required to notify under the CCM Act and from members of the public. Each of these notifications may contain one or more allegations and the Commission is required to assess each allegation contained therein individually.

From 1 July 2015, responsibility for dealing with matters associated with minor misconduct was transferred to the Public Sector Commission, except those matters pertaining to Western Australia Police for which the Commission retains responsibility. This transfer has resulted in an approximate 30 percent reduction in allegations received by the Commission.

Due to the broad nature of reporting, the Commission is likely to continue to receive allegations of minor misconduct, mainly from members of the public. Allegations that are determined to relate to minor misconduct (except those related to Western Australia Police) are referred to the Public Sector Commission. During 2015-16, the Commission referred 144 suspected minor misconduct allegations to the Public Sector Commission.

In addition, 220 allegations of minor misconduct (included in the total allegations above) relate to notifications received prior to 1 July 2015, which were assessed at the beginning of the current financial year. The legislation requires that the Commission deal with these allegations rather than referring them to the Public Sector Commission.

Irrespective of and taking into account functional transfers, the underlying number of allegations received has remained relatively constant.

Effectiveness indicators

Number of reports published in accordance with the CCM Act

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual
5	7	4	5	4	9

One of the main purposes of the Commission is to improve continuously the integrity of, and to reduce the incidence of misconduct in, the WA public sector. The functions of the Commission are directed to achieving that purpose. There are many ways that the Commission performs those functions including making recommendations and publishing reports on the outcome of Commission investigations, reviews and inquiries.

Reports educate and inform the public sector and are necessary in the public interest to enable informed action to address misconduct risks identified by the circumstances revealed in a report. Reports also enable the Parliament of Western Australia and the WA community to be satisfied that significant public sector misconduct allegations and issues are dealt with transparently and accountably.

The Commission takes decisions about releasing information to the public very seriously and does so only after a determination that the benefits of public exposure and public awareness outweigh the potential for prejudice and privacy infringements.

A focus on shortening the delivery time of reports and an increase in the tempo of investigations has resulted in the Commission producing twice the number of reports previously forecast.

Efficiency indicator

Average cost of service per FTE employed within public authorities under the Commission's jurisdiction

2011-12 Actual ($)	2012-13 Actual ($)	2013-14 Actual ($)	2014-15 Actual ($)	2015-16 Target ($)	2015-16 Actual ($)
191	195	211	205	219	177

This efficiency indicator reflects the net costs of the Commission, except any resources applied to the organised crime function, divided by the number of FTE in the Commission's jurisdiction.

The 2015-16 Actual varies from the 2015-16 Target due to savings achieved as a direct result of the Government's recruitment freeze.

Service two: Organised crime function

The Commission received no applications for the use of exceptional powers or fortification warning notices during 2015-16 and, therefore, the cost to the Commission was $0. The Commission is currently forecasting no activity related to the Outcome: Reduced incidence of organised crime into the future.

Effectiveness indicator

Number of applications for exceptional powers findings and fortification warning notices received within the financial year

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual
1	0	1	0	0	0

Effectiveness indicator

Number of applications for exceptional powers findings and fortification warning notices dealt with within the financial year

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual
0	0	1	0	0	0

Effectiveness indicator

Average time taken to deal with applications for exceptional powers findings and fortification warning notices

2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Target	2015-16 Actual
12 Days	NA	14 days	NA	NA	NA

Efficiency indicator

Average cost per matter involving the use of exceptional powers and fortification warning notices over the financial year

2011-12 Actual ($)	2012-13 Actual ($)	2013-14 Actual ($)	2014-15 Actual ($)	2015-16 Target ($)	2015-16 Actual ($)
0	0	0	0	0	0

The Commission's capacity to influence the incidence of organised crime is limited by the CCM Act to approving the use of 'exceptional powers' and issuing 'Fortification Warning Notices'. Both depend on an application made by the Commissioner of Police. To maintain impartiality and independence, the Commission will not assist in the application process.

The main reasons for lack of applications relates to:

- the definition of 'organised crime' under the CCM Act which is both narrow and confusing;
- the enactment of the *Criminal Investigation (Covert Powers) Act 2012* that has made many of the exceptional powers directly available to Western Australia Police. Only coercive examination, search and anti-fortification powers (Fortification Warning Notices) now need to be sought from the Commission. Western Australia Police is also able to apply for coercive examinations through the Australian Crime Commission; and
- with regard to Fortification Warning Notices, a shortcoming that fails to discourage organised crime groups from re-fortifying premises previously dismantled.

In April 2014, the JSCCCC issued Report 10 - *WA Police's use of Part 4 'exceptional powers' in the Corruption and Crime Commission Act 2003*. The report details the issues and constraints inherent in the current definitions and processes. It recommends amendment to the definition of organised crime in the CCM Act, and amendment to the CCM Act to prevent re-fortification.

The Commission has received no applications from Western Australia Police for the use of 'exceptional powers' since April 2012 and one Fortification Warning Notice since January 2011.

OTHER FINANCIAL DISCLOSURES

Major capital projects

The Commission's Asset Investment Budget for 2015-16 included $0.9 million for building refurbishments of its premises at 186 St Georges Terrace and $1.5 million for operational equipment and information technology solutions.

The following major capital works projects were completed during the period.

- **Building and operational security**
  Expenditure during 2015-16 totalled $208,000.
  These funds maintain building and security standards adhering to the *Australian Government Protective Security Policy* to enable sharing of confidential data with Commonwealth agencies.
- **Business support systems**
  Expenditure during 2015-16 totalled $901,000.
  These funds maintain the systems required within the Commission to operate its day to day business, for example, Financial Management Information System and Records Keeping System.
- **IT systems**
  Expenditure during 2015-16 totalled $191,000.
  These funds primarily maintain the Commission's network and related infrastructure.
- **Office equipment program**
  Expenditure during 2015-16 totalled $41,000.
  These funds are used to maintain the non-information technology component of the Commission's operations.
- **Operations support equipment**
  Expenditure during 2015-16 totalled $143,000.
  These funds are used to maintain the operational capacity of the Commission and include monitoring equipment and surveillance capabilities.

Unauthorised use of credit cards

In compliance with Treasurer's Instruction 321 'Credit cards - authorised use' the Commission is required to report where a WA Government Purchasing Card (a 'credit card') is utilised for personal use.

Personal use of a Commission credit card in the 2015-16 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	66
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	66
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	0
Aggregate amount of personal use expenditure outstanding at the balance date	0
Total Cost	**66**

Officers of the Commission hold Commission credit cards where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations annually under the Commission's credit card policy, three employees inadvertently utilised their cards for personal use. The matters were not referred for disciplinary action by the Chief Finance Officer as the amounts were settled promptly, the nature of the expenditure was immaterial and the transactions characteristic of an honest mistake.

Advertising and polling

In compliance with the *Electoral Act 1907* (s. 175ZE) the Commission is required to report on expenditure incurred during 2015-16 in relation to advertising agencies, and market research, polling (or surveys), direct mail and media advertising organisations. Expenditure incurred in relation to those matters is detailed in table 12 and table 13.

Table 12: Advertising and polling expenses incurred

Expense type	Cost ($)
Advertising	0
Polling	0
Total Expenses	**0**

Table 13: Advertising and polling expenses incurred by supplier

Supplier	Cost ($)
Nil	0
Total Expenses	**0**

SIGNIFICANT ISSUES IMPACTING THE COMMISSION

The Commission's employees are committed to meeting their organisational governance obligations and the Commission supports a skilled workforce that is equipped to meet these obligations, now and into the future.

There were a number of significant issues in 2015-16 that impacted upon the Commission's internal and external operations.

The CCM Act came into effect on 1 July 2015. The legislative change and associated transfer of $1.65m budget to the Public Sector Commission has significantly impacted on the Commission's internal operations and administration, as well as its external operating environment.

Internal operations and administration impacts

The Commission's organisational review, which commenced in 2013-14 following the introduction of the amendment Bill[36] into the Parliament of Western Australia, has continued throughout 2015-16. The purpose of the review was to realign the Commission's functions, processes, systems, operations and organisational structure to its amended legislative purpose and operating environment. As a result, a number of key review activities impacted upon the Commission's operations during this reporting period.

- In order to affect the new legislation an organisational change process commenced within the Corruption Prevention Directorate on 31 August 2015. This process resulted in the abolition of the Directorate on 30 June 2016 and the formation of the new Assessment and Strategy Development Directorate from 1 July 2016 to carry out the Commission's serious misconduct assessment and oversight functions. The Government's recruitment freeze implemented on 21 December 2015 impacted on the overall timing and progress of the restructure.
- To strengthen governance and practice around the use of the Commission's powers, such as assumed identities, use of force and controlled operations, a comprehensive policy review was completed during 2015-16. A training program to support Operations staff in implementing the revised policy framework was also undertaken.
- A review and restructure of the Legal Services Directorate resulted in a significant improvement in the provision of internal legal advice and corporate and operational support. Appointment of new lawyers, with strong, relevant experience was completed on 18 January 2016 and resulted in a cost saving for the Commission due to the reduced need to seek external legal services.
- The Executive underwent an organisational change process in late 2015. As a consequence, a number of positions were re-classified at a lower level and while a number of project positions were abolished, new positions were created to support the Commission's risk management and compliance responsibilities, as well as internal and external communications strategies.

[36] The *Corruption and Crime Commission Amendment (Misconduct) Bill 2014* was introduced on 2 April 2014.

- An Information Management Review undertaken during the reporting period recommended improvements in how technical resources are managed. In particular, the review recommended the need for a comprehensive information plan, covering the replacement of aging technology and the development of new technology, to improve the Commission's capabilities.

- The Commission has been located at 186 St Georges Terrace since its inception, with the current building lease due to expire in January 2018. In March 2016, following discussions between the Commission and the Department of Finance (specifically Building Management and Works), an Expression of Interest was advertised in the open market to identify more suitable, future accommodation options. Subject to government approval and lease negotiations, work will commence early in the 2016-17 financial year to design the fit-out for the new premises.

External operating impacts

Working with the Public Sector Commission to implement the CCM Act

On 22 July 2015, the Commission and the Public Sector Commission signed a Memorandum of Understanding (MOU) to facilitate the efficient and effective acquittal of their individual and shared responsibilities under the CCM Act. In signing the MOU both organisations have committed to a cooperative, consultative and collaborative working relationship, including open communication and the timely sharing of information.

The Commission and the Public Sector Commission have continued joint activities (see pg. 41) which commenced in the previous financial year, to provide information to the public sector about the impact of the legislative changes. Since the changes came into effect on 1 July 2015, both organisations have worked collaboratively to ensure allegations of serious misconduct and minor misconduct are appropriately dealt with.

Working collaboratively with Western Australia Police

The Commission and Western Australia Police signed a MOU on 8 July 2015, reflecting the ongoing commitment by both agencies to a strong and healthy working relationship. The MOU guides how the organisations communicate, consult, cooperate, exchange information and intelligence, share resources and assets, provide mutual operational support and enable access to designated Western Australia Police databases.

Under the MOU, the Commissioners meet on a quarterly basis and a Senior Officers Coordinating Group, comprising of officers nominated by the respective Commissioners (which normally include the Chief Executive, the Deputy Commissioners and the Assistant Commissioner Professional Standards from Western Australia Police and the Chief Executive, Director Legal Services and Director Operations from the Commission) to facilitate the early identification, discussion and resolution of strategic and operational issues.

As part of the MOU it was agreed to review the Commission's access to Western Australia Police databases. A joint working group has been established and is working through issues concerning the control of access.

Contracts with senior officers

As at 30 June 2016, there were no matters to report in respect of senior officers of the Commission concerning any interests they may have in regard to firms, entities or other bodies that do business with the Commission.

Disability Access and Inclusion Plan outcome

The *Disability Services Act 1993* does not require that the Commission develop and report on a *Disability Access and Inclusion Plan*. The Commission, however, is committed to ensuring that:

- people with disability have the same opportunities as other people to access the services of, and any events organised by, the Commission;
- people with disability have the same opportunities as other people to access the buildings and other facilities of the Commission;
- people with disability can access information from the Commission as readily as other people are able to access it;
- employees are equipped with sufficient understanding about disability access and inclusion issues to ensure people with disability receive the same level and quality of service from the officers of the Commission as other people receive;
- people with disability have the same opportunities as other people to report allegations directly to the Commission and participate in public consultation with the Commission; and
- people with disability have equal access to employment (as far as practicable) and employment benefits at the Commission as the rest of the population.

Compliance with public sector standards and ethical codes

Public sector standard

The Commission received no breach of standard claims against Public Sector Standards during the reporting period.

The Commission continues to support a number of trained Grievance Officers. There were two formal grievances reported during the year.

WA public sector code of ethics and the Commission's code of conduct

The Commission's Code of Conduct provides employees with a clear guide to applying the *Public Sector Commissioner's Instruction No. 7: code of ethics* to their daily work life. All employees receive a copy the Commission's Code of Conduct upon commencement.

In accordance with the *Public Sector Commissioner's Instruction No. 8 - codes of conduct and integrity training*, Commission employees are required to undertake Accountable and Ethical Decision-Making training. This program is reviewed annually to ensure the content remains current and relevant. Each year, two to three focus areas are selected for more in-depth discussion. The intent is to cover all subject areas in the Code of Conduct, over the course of a Commission officer's employment.

Record Keeping Plans

In compliance with the *State Records Act 2000* (s. 19) and with *State Records Commission Standard 2*, the Commission has an approved *Record Keeping Plan*.

The Commission continues to use the electronic document management system, Objective, as its official recording keeping system and Jade Investigator (or Case Management and Intelligence System [CMIS]) to capture, store and retrieve case and intelligence information in a secure, centralised repository.

During the reporting period, the Commission:

- reviewed and updated record keeping policies, procedures and guidelines;
- continued a disposal program for Commission records in accordance with authorised policy and procedures and in compliance with disposal authorities approved by the State Records Commission;
- continued to use an online Record Keeping Awareness Training program for new and existing Commission employees; and
- continued to provide corporate systems (Objective and CMIS) training and support for Commission employees.

Occupational safety, health and injury management

The Commission is committed to the provision of a safe working environment for all employees in accordance with the *Occupational Safety and Health Act 1984*. This commitment is led by the Commission's Chief Executive and Directors and is incorporated into organisational activity detailed in the Commission's *Strategic Plan 2013-2016*.

The Commission has an Occupational Safety and Health (OSH) Policy and supporting documentation which is available to all employees through the Commission's intranet. Employees receive specific OSH training regarding their obligations under the *Occupational Safety and Health Act 1984* as part of their induction. Managers receive enhanced OSH training regarding their managerial responsibilities.

The Commission's Occupational Safety and Health Planning Advisory Group (Group) reports to the Commission's Executive team regarding OSH matters and includes a member of the Executive within its membership. The Group coordinates and monitors the implementation of the Commission's OSH Program and ensures consultation on all OSH-related matters. This includes informing the Commission and its employees of their respective duty of care obligations. The Group meets according to an annually agreed schedule and is chaired by a senior member of the Commission.

Each working level within the Commission's premises has a dedicated OSH Representative who has undertaken Worksafe accredited training for the role.

The Commission instigated a full assessment of its OSH Management System in July 2013, against the Worksafe Plan. This assessment was conducted by a Worksafe accredited independent assessor. In order to comprehensively implement the recommendations from the Worksafe Plan assessment, the Commission has engaged the services of an external OSH consultancy. This consultancy is collaborating with Commission employees, under Project Safepoint, to deliver a fully compliant OSH Management System, to the minimum standard of Worksafe Silver accreditation. The Commission plans to undertake a further independent Worksafe Plan assessment within the next reporting period in order to validate Project Safepoint and achieve Worksafe Silver accreditation.

Under the Commission's Policy on Workers' Compensation Claims and Injury Management, the Commission is committed to providing Injury Management support to all workers who sustain a work-related injury or illness, with a focus on a safe and early return to meaningful work and in accordance with the *Workers' Compensation and Injury Management Act 1981*. Table 14 shows the Commission's performance against targets specified in the *Public Sector Commission's Circular 2012-05: code of practice occupational safety and health in the WA public sector*.

Table 14: Occupational safety and health incidents

Measure	Actual results		Results against target	
	2013-14	2015-16	Target	Comment on result
Number of fatalities	0	0	0	0
Lost time injury and/or disease incidence rate	0	1.6%	0	See (i)
Lost time injury and/or disease severity rate	0	50.0%	0	See (ii)
Percentage of injured workers returned to work: • within 13 weeks • within 26 weeks	 100.0% 100.0%	 50.0% 0.0%	 100.0% 100.0%	 See (iii)
Percentage of managers trained in occupational safety, health and injury management responsibilities	<80.0%	<80.0%	80.0%	See (iv)

(i) 2015-16 figure represents two separate workplace injury claims, involving two employees.
(ii) 2015-16 figure indicates that one of the two claims continued beyond 60 days.
(iii) 2015-16 figure indicates that one employee returned to work within 13 weeks.
(iv) The Commission mandates that managers and supervisors undertake a course to raise their awareness and understanding of their roles and responsibilities for Occupational Safety and Health.

EMPLOYMENT AND INDUSTRIAL RELATIONS

During 2015-16 the average age of the Commission's workforce was 45.25 years.

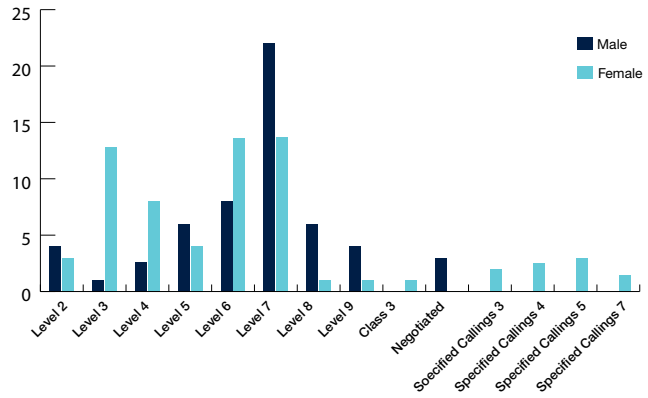
During 2015-16 just over half of the Commission's workforce was female (54%), with 33 percent of the female staff in Level 7 positions or above.

The Commission is committed to ensuring that it has the right people, with the right professional skills, now and into the future.

The Commission is not a Senior Executive Service Organisation under the *Public Sector Management Act 1994*. The CCM Act (s. 179) provides that Commission officers may be appointed for a period up to five years and are eligible for reappointment.

As the Commission has no permanent employees, for reporting purposes, the number of full-time and part-time contracted employees is noted in table 15. These figures include the number of employees seconded from WA State Government agencies whose substantive position remains with that agency.

Figure 7: Distribution of operating employee levels



NB -The figures presented are point in time as at 30 June 2016, and therefore, may differ from the average employee level provided in Table 16.

Table 15: Full-time, part-time and seconded employees

Employment category	FTE	
	2015	2016
Full-time contract	131.0	116.0
Part-time contract measured on an FTE basis	7.7	6.7
On secondment	6.8	3.0
Total FTE	**145.5**	**125.7**

Table 16: Approved and operating employee levels

Employee level	FTE
Average employee level for 2015-16	128.2
Approved employee level as at 30 June 2016	129.0

The Commission encourages flexible working practices, where possible, in order to support employee work/life balance. As at 30 June 2016, the Commission had 10 part-time employees (who worked the equivalent of 6.7 full time employees).

Employee development activities undertaken in 2015-16:

- whole-of-Commission briefings hosted by the Commissioner and Chief Executive on a monthly basis;
- 12 scholarships awarded to a variety of Commission employees, including one officer receiving a study scholarship to undertake approved relevant qualifications, and 11 officers accessing paid study leave;
- focus on women and diversity, specifically, two Commission-wide networking events, including the Commission's formal celebration of International Women's Day;
- 51 employees benefitting from acting opportunities at higher levels within the Commission and five employees being supported to undertake external secondments;
- 'Your Career' development programme consisting of six modules accessible to all Commission employees; and
- annual attendance at various compliance training eg Accountable and Ethical Decision-Making training.

Employee development and wellbeing

The Commission is committed to developing its workforce, individually and collectively, to continue to attract and retain a capable workforce to deliver on the Commission's present and future objectives. A corporate web-based calendar, incorporating development, training and wellness events is accessible to the workforce and is supported by regular communication updates regarding upcoming events.

In 2016-17, the Commission will finalise a learning and development framework to achieve a more targeted and coordinated approach to learning and development, ensuring compliance obligations are met along with the workforce capabilities required now and for the future.

The Commission recognises the importance of employee wellbeing. Specific services available to employees during 2015-16 included:

- sponsorship for participation in the 2015 Chevron City to Surf for Activ;
- participation of 63 employees in nine teams undertaking The Global Corporate Challenge 2016 which commenced in May 2016. This involves undertaking a 100 day virtual journey around the world and through the programme learning about heart health and lifestyle choices;
- influenza vaccinations which resulted in 48 employees of the workforce receiving Commission-subsidised immunisations;
- Hepatitis A and B vaccinations for employees in the Operations Directorate; and
- provision of work station ergonomic assessments, on request by existing employees and to all new employees.

Employee assistance programme

The Commission contracts an Employee Assistance Provider (EAP), who specialises in supporting employee health and wellness. The EAP provides Commission staff with access to specialists in individual support, workplace concerns, mental health and wellness support and coaching via face-to-face, telephone, video and online chat. This service is available 24/7 all year round.

In addition, a confidential telephone advisory service is provided for managers, supervisors and Human Resources staff to assist with difficult or complex people and behavioural issues.

Overall, during the year 11 new employees or their families accessed the EAP and 13 managers accessed the EAP service for advice and assistance.

Workers' compensation

There were three new workers' compensation claims made during the reporting period, two of which are ongoing.

APPENDIX A: OTHER KEY LEGISLATION

The Commission is a statutory body with functions embodied in the CCM Act.

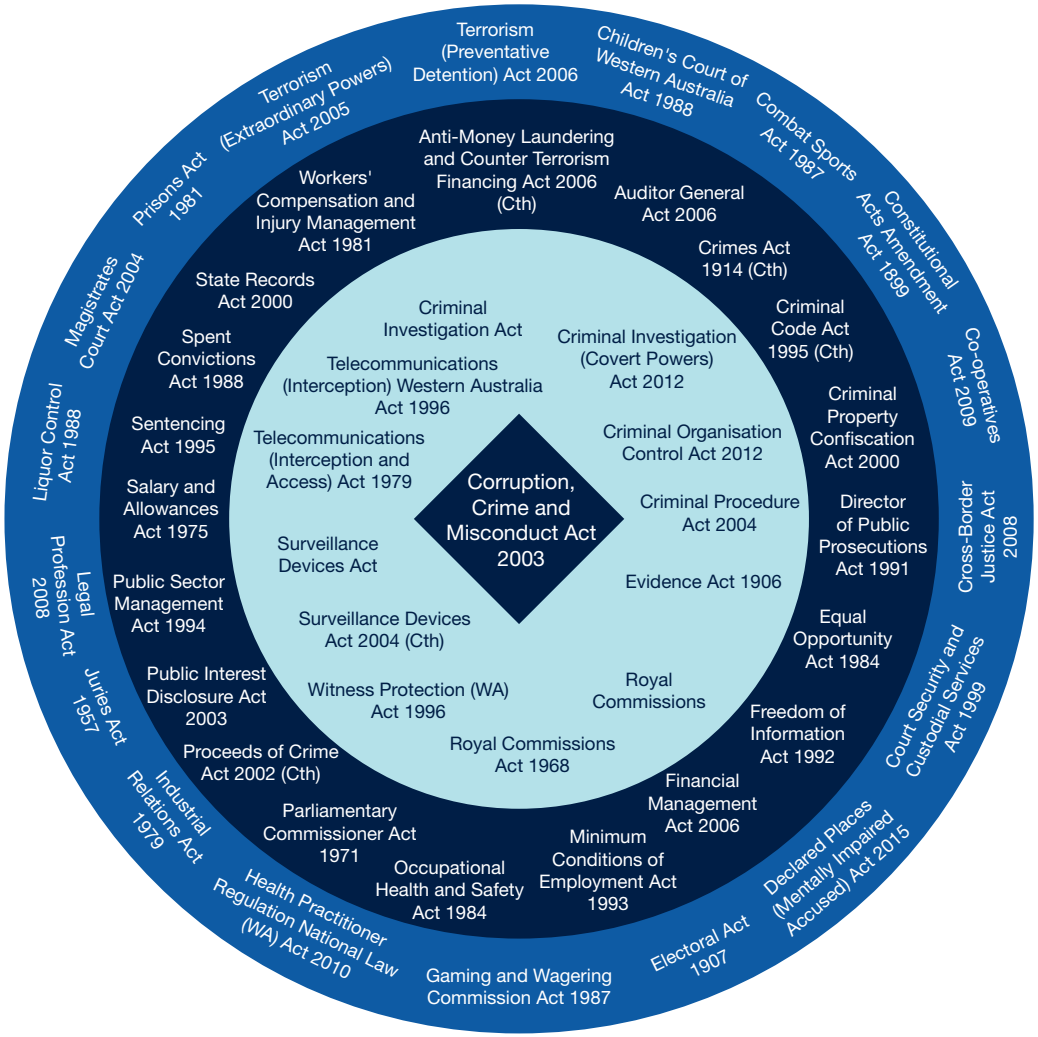
There are other statutes, both State and Commonwealth that affect the Commission in the exercise or performance of its statutory functions and powers.

The first tier (inner circle) represents those statutes that have direct relevance to the Commission's performance of its statutory functions under the CCM Act.

The second tier (middle circle) represents those statutes that relate to, but are not immediately relevant to the Commission's performance of its statutory functions under the CCM Act. These include statutory compliance requirements.

The third tier (outer circle) represents those statutes that reference the Commission or its functions, and may include disclosure provisions relevant to facilitate the Commission's performance of its functions.

Figure 8: Other key legislation



APPENDIX B: STATUTORY POWERS USED BY THE COMMISSION

Table 17: Statutory powers used by the Commission

Statutory Power	Number	
	2014-15	2015-16
s. 94: notices served by the Commission to produce a statement of information	-	1
s. 95: notices issued by the Commission to obtain documents and other things	122	93
s. 101: search warrants issued to the Commission	12[37]	4
s. 103: approvals for the acquisition and use of an assumed identity given by the Commission	8	15
s. 121: authorities to conduct controlled operations granted by the Commission	1	-[38]
s. 123: authorities for integrity testing programs granted by the Commission	-	2
s. 148: warrants of apprehension issued by the Commission	-	-
Warrants and emergency authorisations issued to the Commission under the *Surveillance Devices Act 1998*	2	5
Warrants issued to the Commission under the *Telecommunications (Interception and Access) Act 1979* (Commonwealth)	65	30

The Commission regularly uses its powers though not in every investigation. The use of powers depends on the type of serious misconduct allegations under investigation. For example, if the Commission suspects that the alleged serious misconduct is or may be occurring and is unable to obtain evidence using traditional investigation methods it may apply to use powers such as telephone intercepts and surveillance devices.

Similarly, if an individual, agency or other body is unwilling to provide the Commission with documentary or other information it believes necessary for the investigation of serious misconduct, the Commission may issue notices requiring the production of those documents or information.

As a result the use of these powers varies from investigation to investigation and from year to year.

The figures provided in table 17 reflect the approach taken in investigations conducted in 2015-16 and illustrates that the range of powers available to the Commission are deployed in the most operationally appropriate manner.

During 2015-16 the Commission conducted a comprehensive review of the assumed identities issued under the CCM Act (s. 103) and found that there was a need for new assumed identities to be issued to Commission officers. In total 15 approvals were granted in 2015-16. The Commission also cancelled a number of assumed identities and reduced the total number on hand.

[37] Four warrants were not executed.

[38] No controlled operation authorities were granted in the reporting however, two variations were granted for the controlled operation authority granted in 2014-15.

APPENDIX C: LIST OF COMMISSION INVESTIGATIONS

Index

Active	Investigation ongoing
Closed	Investigation and, where relevant, any court proceedings are finalised and the case is closed
Court	active investigation stage completed, case remains open due to outstanding court proceedings
Suspended	investigation suspended
DR	active investigation completed and report being drafted for the Parliament of Western Australia
FIR	active investigation stage completed, final investigation report being prepared for Commissioner's approval
RT	active investigation completed and report tabled
RTM/P	active investigation completed and report prepared for relevant Minister/Premier

Table 18: List of Commission investigations

Operation	Investigation relating to:	Status
1. Abington	Public officer armed with possible intent to commit an offence	Closed
2. Auburn	Umbrella investigation for the Operational Priorities Proactive Targeting Strategy for procurement	Active
3. Auburn-Alpha	First specific target under Auburn, serious misconduct in relation to contracting and procurement	Active
4. Avoca	Allegations of serious misconduct involving unprofessional behaviour	Closed
5. Barlow	Misconduct in procurement	Closed
6. Becker	Allegations of serious misconduct involving a failure to comply with the provisions of legislation and policy	RT
7. Braydon	Alleged serious misconduct with respect to dismissal of Chief Executive	FIR
8. Carr One	Corruption in procurement and contracting of services	Closed
9. Carr Two	Corruption, disclosure of restricted matter, bribery and giving false testimony	Court

APPENDIX C: LIST OF COMMISSION INVESTIGATIONS continued

10. Cassady	Allegations of corrupt behaviour by a public officer	Court
11. Dalton	Allegations of corruption involving public officer accepting 'kickbacks' for awarding contracts	Closed
12. Darlot One	Common assault and assault causing bodily harm	Court
13. Darlot Two	Common assault and assault causing bodily harm	Court
14. Dawson	Unauthorised disclosure of sensitive, official information	Closed
15. Delta	Allegations of corruption and serious misconduct in relation to the issuing of vehicle driver's licenses	DR
16. Dingo	Stealing and possession of a prohibited drug	Court
17. Divers	Unlawful access to restricted access information	Closed
18. Dyer	Failure to manage conflicts of interests when carrying out official duties	RTM/P
19. Ellis	Serious misconduct involving undeclared conflicts of interest and using position to cause a detriment referred to appropriate authority for action	Closed
20. Endrick	Allegation of corruption in relation to improper use of a lawful power	Closed
21. Finns	Allegations of serious misconduct involving unlawful access and dissemination of information	Closed
22. Fitzroy	Collusion to conceal serious misconduct	RTM/P
23. Foley	Allegation of serious misconduct in awarding contracts	Closed
24. Genoa	Allegation of senior officer corruptly using their position to award contracts to their own company	Closed
25. Goulburn	Allegations about public officials failing to disclose a personal interest and using their position for personal gain	Closed
26. Guide-Fletcher	Trafficking of drugs and contraband into prisons by public officers	Closed
27. Hastings	Allegations of misconduct involving the acceptance and disclosure of gifts and benefits	RT
28. Hazel	Senior officer failed to act with integrity in providing recommendation for Ministerial approval	RTM/P

APPENDIX C: LIST OF COMMISSION INVESTIGATIONS continued

29. Henry	Allegations of serious misconduct related to the purchase of land	RT
30. Hunter	Allegation of public officers corruptly taking advantage of their position to provide a benefit and failure by management to act	Closed
31. Jack	Allegations of corruption and serious misconduct in relation to the issuing of vehicle driver's licenses	DR
32. Jason	Allegations of serious misconduct involving improper associations, threatening subordinates and attempts to pervert the course of justice	DR
33. June	Allegations of serious misconduct involving the provision of false or misleading information	Closed
34. Kedron	Allegations of corruption in relation to improper use of a lawful power	RT
35. Kelly	Fraud	Court
36. Kemp	Alleged improper release of official information to known and suspected criminals	Closed
37. Kilbie	Allegations of serious misconduct involving unauthorised possession of classified materials	Closed
38. Lantana	Allegations involving personal use of corporate credit card and failure to disclose criminal charges and convictions	Closed
39. Latrobe	Allegations of corruption in the procurement and management of contracts	Closed
40. Lecks	Use of position to purchase a vehicle for personal use, undeclared conflict of interest	Active
41. Long	Allegations of misconduct in relation to procurement	Active
42. Manning	Trafficking of contraband into WA prisons by public officers	Closed
43. Merri	Excessive use of force	Closed
44. Mine	Allegations of misconduct involving excessive use of force and unprofessional conduct	Closed
45. N/A	Commission's own proposition - serious misconduct involving neglect of duty	Closed
46. N/A	Allegations of conflict of interest	Closed
47. N/A	Corrupt and criminal conduct by senior public official	Closed

APPENDIX C: LIST OF COMMISSION INVESTIGATIONS continued

48. N/A	Allegation of excessive use of force by public officer	Closed
49. N/A	Allegation senior public officer corruptly used their position to award contracts and offer employment to associates	Closed
50. N/A	Senior public official corruptly used their position in the sale of a public asset	Closed
51. Neil	Allegations of misconduct in relation to procurement and recruitment	Active
52. Newton	Allegations of excessive use of force and failure to follow proper procedure	Closed
53. Norton Two	Allegations of unlawful physical assault	Closed
54. Nullica	Public officers attempting to pervert the course of justice due to improper associations	Closed
55. Orchid	Trafficking contraband	Active
56. Oxley	Unprofessional behaviour involving serious breach of code of conduct	Closed
57. Paroo	Allegations of serious misconduct involving unprofessional conduct	Closed
58. Paterson	Allegations of corruption involving public officer awarding contracts to their own business	Closed
59. Pebbly	Allegations of improper associations	Active
60. Pretty	Excessive use of force	Active
61. Putney	Allegations of unauthorised disclosure of restricted contract information	Active
62. Richmond	Public officer corruptly awarding contracts to gain a benefit for self and others	Closed
63. Rowleys	Stealing as a servant	Court
64. Rules	Allegations that public officers corruptly failed to act	Active
65. Sandon	Allegation of a senior officer corruptly using their position to gain a personal benefit	Active
66. Sandon Two	Allegation of serious misconduct involving corruptly giving information that is knowingly false	Closed
67. Sara	Allegations of a senior officer corruptly taking advantage of their employment	Active

APPENDIX C: LIST OF COMMISSION INVESTIGATIONS continued

68. Sovereign	Conflict of interest	Active
69. Spitfire	Facilitation of contraband into WA prisons by public officers	Active
70. Surrey	Allegation of senior officer corruptly using their position to gain a personal benefit	Closed
71. Thredbo	Allegation of leak of information	Suspended
72. Tobins	Operational Priorities Proactive Strategy - improper use of industrial entitlements	Active
73. Tonalli	Allegations that public officers corruptly used their position to cause a detriment	Closed
74. Toompani	Unauthorised access to sensitive records and information	Active
75. Tucker	Serious misconduct involving unprofessional conduct	Closed
76. Turon	Corruption allegations that a public official had improperly accepted gifts and benefits	Closed
77. Wando	Allegation that senior public officer corruptly used their position to influence tender outcome	Closed
78. Wards	Allegation of leak of information	Suspended
79. Williams	Allegations of public officer corruptly using position to target vulnerable women	Closed

INDEX

Highlights 3

Contents 5

Commission overview 6

- Commissioner's report 6
- Overview 7
- Organisational structure 8
- The Commission's senior officers 9
- Performance management framework 10
- Commission's performance 11
- Summary of Key Performance Indicators 12

Profile of misconduct 13

- WA framework for dealing with misconduct 13
- Big picture – misconduct reported in WA 14
- Assessing allegations of serious misconduct received 15
- Overview of serious misconduct allegations 19
- Making connections 23
- Uncovering corruption and serious misconduct 24

Responding to misconduct 25

- Operations Committee 25
- Commission investigations 29
- Providing information to independent agencies and appropriate authorities 36
- Monitoring and reviewing appropriate authority actions and investigations 38
- Recommendations for changes of law 40

Building capacity 41

- Working together to develop public sector capacity 41
- Helping prevent Western Australia Police misconduct 43
- *Criminal Investigation (Covert Powers) Act 2012* 44
- Cooperating with integrity bodies 45
- Published reports and recommendations 46

Managing our finances and performance 49

- Financials contents 49
- Independent Audit Opinion 50
- Certification of Financial Statements 52
- Statement of Comprehensive Income 53
- Statement of Financial Position 55
- Statement of Changes in Equity 57
- Statement of Cash Flows 58
- Notes to the Financial Statements 60
- Key Performance Indicators 99
- Other financial disclosures 103

Our organisational governance and people 105

- Significant issues impacting the Commission 105
- Governance disclosures 107
- Employment and industrial relations 110

Appendices and Index 112

- Appendix A: Other key legislation 112
- Appendix B: Statutory powers used by the Commission 113
- Appendix C: List of Commission investigations 114

This page has intentionally been left blank.

CORRUPTION AND CRIME COMMISSION

PO Box 7667
Cloisters Square
Perth WA 6850

T (08) 9215 4888

T 1800 809 000 (TOLL FREE)

F (08) 9215 4884

E info@ccc.wa.gov.au

WWW.CCC.WA.GOV.AU

78291 acorndesign.com.au