

**PUBLIC HEARING**

**WITH**

**THE HON B S J O'KEEFE AM QC**



**FRIDAY 25 OCTOBER 1996**



**QUESTIONS UPON NOTICE**

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**GENERAL UPDATES/BRIEFINGS ON ASPECTS OF THE COMMISSION'S OPERATIONS SINCE MAY 1996, SPECIFIC MATTERS ARISING FROM THE LAST APPEARANCE OF THE COMMISSION BEFORE THE PJC, OTHER MATTERS ARISING FROM THE OPERATION OF THE COMMISSION, AND SPECIFIC QUESTIONS RELATING TO SPECIFIC INVESTIGATIONS**

**1. What is the status of current investigations which have been the subject of public hearings and recent or forthcoming reports?**

The following investigations have been the subject of public hearings and will be the subject of a report:

- . Operation Sturt is concerned with the conduct of a former alderman of Fairfield City Council. The taking of evidence and submissions in relation to one segment of that investigation had concluded prior to the Committee's last public hearing. Evidence and submissions in respect of the second segment concluded on 27 September 1996. A report will be provided to Parliament.
- . Operation Talisman was an investigation into the circumstances surrounding payments made to Pamlan Pty Ltd for cleaning services provided to the State Rail Authority of New South Wales during the years 1990-1993, and also the conduct of a former State Rail Authority of New South Wales public official, Mr Damon Schrieber. Evidence was heard initially in private on seven days in December 1995. Evidence was continued in public and private in January and February 1996. Counsel Assisting's submissions and submissions from affected persons were made and received in February. At the Committee's last public hearings the Commission reported that some further financial investigation was continuing and that a report was being prepared. The Commission is now taking into consideration a number of other matters concerning the State Rail Authority for inclusion in its final report.
- . Operation Yabbie concerned Byron Bay Council. At the time of the last public hearings the report was then in draft form and work has continued on that report. Unfortunately it has been delayed by other priorities and illness. However, at the conclusion of the hearings submissions made by Counsel Assisting, which I accepted, made it clear that it was not suggested that any findings of corrupt conduct should be made against any public official who had been the subject of allegations during the investigation.
- . Operation Weave concerned the Police Air Wing. It is expected that this report will be made public before the end of October 1996.
- . Operation Yalta was concerned the investigation into the re-evaluation of the position



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of Director General of the Department of Community Services. This report, prepared by Assistant Commissioner Peter Hall QC, will be made public by the first week in November 1996.

- . Operation Sublime. This involved an investigation into the Glebe Morgue. Assistant Commissioner Ruth McColl SC is currently preparing a report on that matter.
- . Operation Quantum in which the Commission conducted an investigation into the conduct of a certain public official associated with or connected to harness racing in New South Wales.
- . Operation Visual. The Commission conducted an investigation into the conduct of Gregory John Sealby, an officer of the Department of Gaming and Racing. Public and private hearings were held. A report will be provided to Parliament.

### **2. What is the status of works in progress?**

The question is covered in the answers to other questions.

### **3. What is the status of the public education work of the Commission?**

#### **Formal and Professional Education**

Young people are a target audience of the Commission because they are the citizens, decision makers and public servants of the future. Because schools and educational institutions are involved in equipping students for life and employment in professions or industry, the Commission works with them so that anti-corruption material by way of teacher resources is included in the teaching of curricula wherever appropriate.

In the development of these resources, the Commission engages the expertise of stakeholders by forming advisory committees. This ensures the ICAC products are relevant to teachers, students, disciplines and professions.

Recent analysis of community attitude surveys has suggested that young people (aged 18 – 24) compared to those older who were surveyed, are more likely to think that there was little that they could personally do about corruption, and less likely to believe that public sector corruption would affect them or their families. This information supports the targeting of young people by the Commission.

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### *School and Formal Education*

The Commission continues to work collaboratively with the Office of the Board of Studies, New South Wales Department of School Education, Catholic Education Commission, TAFE Commission of New South Wales and representatives from various schools, tertiary institutions and industry. The aim is to identify syllabi with attitude and value outcomes and objectives that require teaching resources; and then to produce effective resources for primary, secondary and tertiary students and teachers.

The following resources are currently being developed and/or promoted by the Commission:

- For the Design and Technology syllabus for years 7-10 the Commission contracted Australian Council for Educational Research (ACER) to produce a demonstration video, teachers' manual and student activities for ethics, values and attitudes education. It is currently being printed and will be launched in November 1996.
- For the HSC Design and Technology syllabus the Commission contracted Show-Ads Interactive to produce an interactive multi media CD ROM, teacher notes and student activities for ethics, values and attitudes education. It is currently being printed and will be launched in November 1996.
- The ICAC has undertaken the production of a K-6 Science and Technology CD-ROM kit targeting New South Wales primary schools. The CD-ROM will be cross platform and interactive. It will be designed to improve the teaching of ethical behaviours and attitudes in line with the stated attitudes and value objectives of the syllabus. The kit aims to enhance students' abilities for responsible participation within the community and develop an enriched view of themselves, society, the environment and the future. It has linkages to other syllabi including Civics.

The kit is scheduled to be completed in May 1997 and will be promoted to primary schools. The kit will be available by request only. A total of 2500 units will be produced. The project is progressing to schedule.

### *Tertiary and Professional Education*

The following projects are currently being advanced by the Commission:

- As reported in the previous evidence, a poster competition for TAFE students was conducted from February until May 1996. That competition was finalised with the presentation of awards by His Excellency the Governor at Parliament House in July. The finalist's entries have since formed a travelling exhibition to promote the Commission's anti-corruption message to the public. It is covered in more detail in the section dealing with the Community.

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- . Discussions continue with peak bodies in the private sector, other tertiary bodies and peak organisations for the Commission to find opportunities to contribute in educative programs.
- . A training resource *Conduct Becoming... the personal responsibility of public duty* was produced and released in September 1996. The interactive kit consists of an 18 minute video, facilitator's guide, participant worksheets, a guide for self-paced learning, case studies, and a PC formatted computer disc of case studies for agency customising (see detailed response in response to Question 14).
- . Management modules regarding public duty are in development; but unable to progress pending the appointment of the Education Officer, Training. The recruitment process is underway.

### **The Community**

The Commission seeks to gather information on public perceptions about attitudes to public sector corruption and whether the public is motivated to take action, and also about the public's understanding of and support for the ICAC's work. Campaigns are aimed at the broad community, as well as at young people and special needs groups.

The following projects are currently being developed and/or promoted by the Commission:

- . The poster competition, exhibition and associated educational materials are taking the anti-corruption message to all major centres in the State.

At the time of the last Committee hearing, the Commission was preparing for the official judging of the TAFE poster competition. The judging of the Corruption Matters Student Perspective took place in May 1996. A panel of five judges viewed over 500 entries from 15 TAFE institutions throughout New South Wales:

- . Jane Diplock, Managing Director TAFE NSW
- . Janie Raffin, General Manager, Regional Galleries Association NSW
- . Lisa Naar, Director Studio Naar
- . Malcolm Campbell, Freelance Graphic Designer
- . B S J O'Keefe AM QC, Commissioner

Judges selected 45 finalists and five entries for highly commended awards. Awards were presented to students by The Hon Gordon Samuels, AC, Governor of the State of New South Wales at an awards evening held at Parliament House on 22 July 1996.

The 45 finalists have their work represented in an exhibition that is scheduled to travel to ten metropolitan and regional galleries throughout New South Wales as

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outlined below. The exhibition is accompanied by a comprehensive Education Kit which will be used by schools visiting the exhibition.

The exhibition will travel to the following venues:

Casula Powerhouse - 28 August to 29 September 1996  
Parliament House - 9 October to 25 October 1996  
Newcastle Regional Museum - 6 November 1996 to 26 January 1997  
Wollongong City Gallery - 7 February to 2 March 1997  
Albury Regional Art Centre - 14 March to 6 April 1997  
Orange Regional Gallery - 18 April to 25 May 1997  
Manning Regional Art Gallery - 4 June to 29 June 1997  
New England Regional Art Museum - 18 July to 31 August 1997  
Tweed River Regional Art Gallery - 3 September to 5 October 1997  
Lewers Bequest & Penrith Regional Art Gallery - 10 October to 23 November 1997

The exhibition at Casula Powerhouse saw over 2200 visitors, 700 more than the average monthly visits to the gallery.

A comprehensive evaluation of the exhibition is underway. This includes an evaluation sheet for completion by community members visiting the exhibition, attendance numbers provided by the galleries, and a reply paid evaluation card accompanying the Education Kit.

- . The July issue of *Corruption Matters* included a profile of the Aboriginal Land Councils investigation, news about other Commission activities and resources and articles about the Commission's collaboration with the Department of Public Works and Services on their Infrastructure Partnerships Guidelines and anti-corruption group, Transparency International. The November issue will feature articles on setting up and managing internal investigation functions in public sector agencies, aspects of contractor selection and the latest ICAC research and resources.

The newspaper distribution continues to expand with more and more agencies and individuals requesting copies. Several agencies have also reproduced articles from the newspaper in their own internal publications, spreading the anti-corruption message more widely.

- . Education Officers form part of the team engaged in a review of the New South Wales Aboriginal Land Council system (Operation Zack). An education strategy is being developed to assist with the efficient management of land councils, to facilitate the introduction of reforms as necessary and to ensure that the community, especially the aboriginal community, is aware of the functions and responsibilities of the various land councils in New South Wales.

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- The Non-English Speaking Background Community Research Project, which commenced in March 1996, established education needs of the non-English speaking community in relation to the public sector and what constitute appropriate procedures, communication, service and conduct. The research was conducted by Cultural Perspectives Pty Ltd by way of interviews with key government and community agencies and focus group discussions with key language groups (Arabic, Chinese, Spanish, Vietnamese). A team has been established to review the report, plan and implement various recommendations. Consultation with key agencies and relevant NESB groups will be a substantial component of the project.
- The Community Advisers Community Research Project, which commenced in March 1996, was conducted by Keys Young Pty Ltd. Through interviews and a survey, the project informed the ICAC of the best ways to inform community advisers about the ICAC and how to deal with corruption related enquiries. In line with the research recommendations and findings, specific communication strategies are being implemented to meet the needs of various groups. Members of Parliament were sent material (the six corporate brochures and Operation Hubcap) in July 1996.

### **The Media**

The Commission seeks to provide accurate information to the media promptly in order to promote awareness about the ICAC and related matters. It also seeks to ensure a responsive and proactive approach to the media in order to inform the public, where appropriate, about ICAC issues and activities. The Commission believes that more needs to be done with the media to ensure it understands the Commission's role, responsibilities and achievements.

To facilitate the above, and in particular to help promote the corruption prevention and educative functions of the Commission through the media, a contract has been let to develop an appropriate strategy. That contract was let to Network Communication in August 1996. The contract deliverables include initial research and reports, the provision of a 12 month relations program, and a media database to measure ICAC performance.

The contract cost is \$15,000 and it is due for completion in December 1996.

### **Visitors**

The Commission is recognised around the world as a leader in the field of minimising corruption and enhancing integrity in the public sector. Because of this the Commission receives many requests to visit the Commission from agencies and organisations interested in its work.

The Commission received visitors from the following agencies and organisations since May 1996:

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- August      Mr Zbigniew Wesolowski, Vice President Supreme Chamber of Control, Poland
- Professor Brian Grainger, Chairman, International Ethics in the Public Sector, Canada
- Inspector Dirk Scholten, Netherlands Police Force, The Netherlands
- Dr Leo Huberts, Vrije University, The Netherlands
- Mr Howard Wilson, Office of the Ethics Counsellor, Canada
- August      Dr Ugur Pekdemir, City of Tilburg  
                 Ms Majola Boogmans, Deputy Secretary, Dutch Advisory Council for Public Administration
- September      A group of Hong Kong Legislators led by Emily Lau, Legislative Councillor, New Territory's East
- October      Representatives from the Chinese Ministry of Internal Trade

**Displays**

New panels were designed and produced for the Commission's portable display system. This formed a backdrop for the following displays which the Education Section coordinated to inform the public and private sectors of current ICAC publications and projects:

- August 5-9      Ethics in the Public Sector International Conference, Brisbane Display
- August 31      Shaping the Future - K-12 Technology Education Symposium Display
- October 1      Public Sector Corruption Prevention Forum Display
- October 3-6      Australian Association for Professional and Applied Ethics Conference Display
- October 1-28      Government Information Service Bookshop, Chifley Square  
                 Feature Display of Commission information

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### **Publications**

With a view to streamlining production times for reports, a 12 month contract has been let for the production of Commission's investigation reports. The contract was let to McMillan Printing Group Rydalmere on 14 October 1996.

Materials published since evidence was last given are listed below:

### *Research Publications*

- . Corruption and Related Issues: An Annotated Bibliography - May 1996
- . Monitoring the Impact of the Protected Disclosures Act 1994. Phase 2: Interviews with New South Wales Public Sector Agencies and Local Councils. Interim Report Summary - June 1996

### *Investigation Reports*

- . Report on Investigation Concerning the Chairman of the Stewards of the Harness Racing Authority of New South Wales - August 1996.

### *Community Education Publications*

- . Corruption Matters Student Perspective Exhibition Catalogue - July 1996
- . Corruption Matters Student Perspective Postcards - July 1996
- . Corruption Matters Student Perspective Posters to promote exhibition - July 1996
- . Corruption Matters Student Perspective - Education Kit - August 1996
- . ICAC Corporate Brochures - June 1996:
  - . Serving the New South Wales Community
  - . Making a Protected Disclosure to the ICAC
  - . ICAC Function
  - . What is Corruption
  - . Guarantee of Service
  - . Making a Complaint about Corrupt Conduct

### *Professional/Public Sector Education Publications*

- . How the ICAC works - Operation Hubcap (A Case Study) - June 1996

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- . Conduct Becoming – video resource kit – September 1996
- . Conduct Becoming – posters and flier – September 1996
- . Quarterly Newspaper – June edition – June 1996

#### **4. What is the status of the work of the Corruption Prevention Unit?**

The corruption prevention function is a statutory component of the Commission's three pronged attack on corruption in the New South Wales public sector. The aims of the Corruption Prevention Unit are realised by involvement in a number of activities and in particular by maintaining regular communications with New South Wales public sector agencies.

#### *Work with the New South Wales Police Service*

Corruption Prevention staff are working with the New South Wales Police Service on a number of projects including:

- . Continuing monitoring of the implementation of the recommendations which emerged from the Milloo Investigation. A progress report is to be published later this year.
- . Participating in a Ministerial working party in relation to the Police Academy. It is concerned with integrity and accountability training within the Service.
- . Participating in a working group to implement recommendations on access to confidential information. (That group is currently reviewing a police training video "No Harm Done" in order that it may become the basis of a Service wide training initiative.)
- . In July the Commission made a submission to the Police Royal Commission on corruption prevention measures in the Police Service (this was copied to members of the Parliamentary Committee).
- . Consulting with the Police Royal Commission Implementation Unit and the Professional Responsibility Command on corruption prevention issues.
- . A report by the Principal Corruption Prevention Officer who recently visited the New York Police Department to examine corruption prevention and training issues.
- . Membership of the Police Commissioner's Accountability Panel, designed to improve the accountability of the Police Service in the area of corruption prevention.



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- Commission officers also provided input to the drafting of the Police Service's new Internal Witness Support Policy which was launched by Minister Whelan in September.

### *Work with Other Agencies*

Commission officers have increased the emphasis placed on direct, face to face, contact with public sector agencies. These contacts are intended to reinforce the sector's understanding that the ICAC is a body with considerable expertise which can assist agencies in the planning and continuing management of their activities focussed on corruption and fraud prevention. See response to Question 14.

### *Advice*

A major opportunity to take early steps for the prevention of corruption is presented by the Commission's advice giving function. The ICAC encourages public and private sector agencies and individuals to seek its advice concerning their activities at the stage when a public sector related activity is proposed or being considered (also see response to Question 15).

Consistent with the Commission's increasing emphasis on face to face contact with the public sector, the wide categories of advice matters continues. The demand for advice remains strong, and agencies and government appear to be seeking help earlier.

Advice has been provided in relation to various Olympic issues as well as in relation to diverse matters involving the restructure of the State Rail, planning the eastern distributor and other tollways, public sector procurement, codes of conduct and other ethical issues affecting public sector agencies and individuals.

Local government is a major source of requests for advice. The most common issues raised still relate to tendering and purchasing, sponsorship and conflicts of interest for staff and councillors.

### *Projects in Progress*

A number of the Commission's major projects are the subject of specific questions answered later in this document. These include Recruitment Practices, Aboriginal Land Councils, Olympic Games, the use of Probity Auditors, the Practical Guide to Corruption Prevention, work with central agencies and Protected Disclosures Act work.

In addition to those activities the Commission is pursuing a number of other projects with public sector agencies or within specific government sectors or areas of activity.

Towards the end of 1996 the Commission will release two publications concerning practical

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guidelines for local councils in dealing with conflicts of interest and improving understanding of the differing roles and responsibilities of councillors and staff. The guidelines have been developed as a joint project with the Department of Local Government.

Most public sector agencies have occasion to conduct internal or external investigations in a variety of circumstances. The Commission is about to release an additional module for the *Practical Guide to Corruption Prevention*, along with a best practice handbook, which is intended to improve the quality and efficiency of investigations which are conducted by public sector agencies.

### *Involvement in Investigations*

Corruption prevention staff have increased involvement in multi-disciplinary teams which are established to bring the full range of the Commission's skills and resources to bear on more complex investigations. In addition to corruption prevention personnel those teams include investigators, lawyers, education officers, researchers and analysts.

Multi-disciplinary teams have been active in a number of areas including those related to computer technology, public sector administration, local government and other areas of public concern.

### *Corruption Prevention Seminars*

Each year the ICAC conducts a number of seminars on corruption prevention related issues. These seminars have been conducted at locations throughout the state and held with diverse groups of public sector employees. Apart from seminars for mixed agency groups, held particularly in country areas, they have also been conducted for the Child Protection Enforcement Agency, Parklea and Silverwater Correctional Facilities, the New South Wales Aboriginal Land Council and Special Constables employed by the New South Wales Police Service.

The seminar program for 1997 is currently in course of preparation and it is anticipated that the seminars will be directed at staff of agencies or sectors which have recently been the subject of the attention of the Commission. That attention might have been by way of investigations, enquiries, advice sought, or by the requesting of the provision of a seminar to a particular group.

Corruption prevention staff are active in the Corruption Prevention Forum which is a network of individuals, many from the public sector, who are interested in furthering the interests of corruption and fraud prevention. The forum conducts regular seminars and workshops in which the Commission's staff are frequently involved as presenters.

***Conferences and Presentations***

See answer to Question 12.

**5. What is the status of the work of the Commission's Research unit?**

The Research Section seeks to better inform the Commission's efforts to reduce corruption in the New South Wales Public Sector. To this end, the Research Section has undertaken the following work since 27 May 1996:

**Monitoring The Impact of The Protected Disclosures Act 1994**

The Independent Commission Against Corruption (ICAC) is currently conducting a four-phase study to explore the impact of the *Protected Disclosures Act 1994* upon the New South Wales public sector. Phases 1 and 2 were completed in April and June of 1996. The first two phases focussed upon the experiences of organisations with the Protected Disclosures Act. Phases 3 and 4 are currently being conducted and focus upon the experiences and concerns of public sector employees. This project is discussed in detail in response to Question 17.

**Community Attitude Survey**

The ICAC conducts annual community attitude surveys to inform its education and corruption prevention work. Information is collected through a telephone survey with members of the public. This year a sample of 500 adults across New South Wales is being surveyed. Telephone interviews for the 1996 survey are being conducted over a period of approximately two weeks, commencing 15 October.

In addition to information sought in previous years the survey will explore awareness of media reports about ICAC and whether or how community attitudes and understanding are affected by these reports.

As with previous community attitude surveys, the results will be publicly available in a published ICAC report. This will be available early in 1997.

**Review of ICAC Business Studies curriculum kit —  
*Ethics & Enterprise: A life cycle of a business***

In 1995 the Education Section of the ICAC developed a set of curriculum support materials for use with the HSC Business Studies course in New South Wales High Schools. The kit was distributed to all high schools in February 1996. The Research Section is undertaking a review of the kit.

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The aim of the review is to provide the Education Section of the ICAC with information about the number of schools and year levels where the kit has been used, and to explore teacher, student, and curriculum specialist views about the usefulness of the kit for teaching and learning the "Attitudes and Values" outcomes and objectives of the HSC Business Studies Syllabus. Results from the review will be used to inform the development of other resources for schools.

The data collection for the review will commence early in 1997 and is comprised of four parts.

- . Part 1 is a telephone survey of a random sample of 265 high schools teaching Business Studies (approximately 50%).
- . Part 2 is a series of interviews with 30 teachers who have used the kit.
- . Part 3 is a series of eight student focus groups from classes where the kit has been used.
- . Part 4 is a small number of telephone interviews with selected curriculum specialists from each of the peak school bodies and the Board of Studies.

### **Operation Zack Evaluation**

The Research Section is conducting an internal evaluation of the ICAC operation into New South Wales Aboriginal Land Councils (Operation Zack).

The evaluation is designed to identify aspects of the operation that have been successful or may have hindered the process. In particular, the evaluation has the following aims:

- . to identify and measure the success of the process used in conducting this operation;
- . to identify general implications regarding ICAC work with Aboriginal communities;
- . to evaluate the organisational experiences of the ICAC multi-disciplinary team;
- . to identify and evaluate the corruption prevention strategies employed.

This research is important as it will provide information about the processes used by the ICAC. Once identified, the processes and strategies which were found most effective can be promoted both internally and externally to other public sector organisations working in similar contexts.

Selected members from five of the 16 Aboriginal Land Councils visited by the Zack team will be interviewed (to be conducted in November-December 1996). The Aboriginal Land Council members will be asked about their perceptions of the ICAC, particularly in regard to Operation Zack, and their interaction with the Zack team members. ICAC team members'

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responses to working with Aboriginal people and Aboriginal Land Councils in particular were also sought in the evaluation.

The final phase of the research will evaluate the success of the corruption prevention strategies recommended as a result of the Commission's work with Aboriginal Land Councils' and which have been implemented by the Aboriginal Land Councils.

### **Analysis of the Complaints Database**

The Research Section is working on two separate internal projects which analyse the types of complaints received by the ICAC. Project 1 involves refining codes for the types of allegations of corrupt conduct received by the ICAC. This will give a more detailed picture of the nature of the complaints which we receive. Project 2 involves an analysis of all reports in order to gain a broader understanding of the types of suspected corruption that are reported by CEOs.

### **ICAC travelling poster exhibition — *Corruption Matters: Students' Perspectives* – Survey of attendees' impressions**

Between August 1996 and December 1997 the winning posters from the ICAC poster competition are being exhibited in Regional Art Galleries across New South Wales. The aim of the travelling exhibition is to teach students and other attendees about the detrimental effects of corruption and the benefits of preventing corruption. Accordingly, a short survey of gallery attendees is being undertaken in order to explore the impressions they have gained from the posters, and hence the impact that the exhibition has on their awareness and understanding of corruption. Survey forms are provided for attendees to complete at each of the galleries visited by the exhibition. Results from the survey will be used to inform future education strategies. The survey explores:

- . the anti-corruption themes and messages that people receive from the posters;
- . which posters best provide the following messages:
  - reporting and taking action against corruption is a good thing
  - it is best not to participate in corruption in the first place
  - the ethical values of anti-corruption
- . other messages or themes gained from the posters.

### **Different Rules For Different Players**

This research intends to explore some of the social rules concerning what types of behaviours are considered to be acceptable in private and public sector workplaces. From the previous literature we know that individual views about acceptable workplace behaviour can either minimise or perpetuate corrupt practices.

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The specific questions to be addressed by this research include:

- whether individuals have different rules which govern what is acceptable behaviour depending on whether they are in the public or private sectors;
- whether the rules depend upon who is making the judgements;
- how other aspects of a situation (eg nature of the benefit, frequency, mitigating circumstances) interact to result in the behaviour either being considered acceptable or unacceptable.

The planning for this project will occur in 1996-97. The project itself will commence in 1997-98 and should inform the Commission in relation to its work in the public/private sector interface.

### **Other Ongoing Work**

#### *Sydney Olympics*

The Research Section is maintaining a database on interest groups and issues associated with the Sydney Olympics.

#### *Annotated Bibliography*

The Research Section is maintaining a database on literature and research in the field of corruption. This document is distributed widely on an annual basis and is intended as a resource to identify the most recent developments in corruption research.

### **6. What is the status of any prosecutions or convictions arising from Commission investigations since the Commission last met with the PJC in May 1996?**

The usual table is attached at Annexure 1. However, on the last occasion members of the Committee expressed interest in the breakdown of offences to distinguish the number of Crimes Act offences from offences under the ICAC Act. What follows is a summary of the numbers of offences in each category both in terms of recommendations made by the ICAC that consideration be given to prosecutions and actual prosecutions commenced.

#### **Recommendations**

Since it commenced operations the Commission has recommended that consideration be given to the prosecution of a total of 228 individuals.

Of these individuals 103 attracted recommendations relating to Crimes Act offences, 48 relating to ICAC Act offences and 29 relating to both Crimes Act and ICAC Act offences. The remaining 48 individuals involved recommendations relating to other statutory offences and common law offences.

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### **Prosecutions**

The DPP recommended that prosecutions be commenced against 125 of the above individuals. Of these, 51 were prosecuted for Crimes Act offences, 42 for ICAC Act offences and 14 for both Crimes Act and ICAC Act offences. The remaining 18 individuals were prosecuted for other statutory offences and common law offences.

**7. What is the current budget and staffing status of the Commission, including any overspending or postponement of work due to expenditure containment and staff turnover respectively?**

Total number of equivalent full time staff on duty as at 25 October 1996 is 137.2. It is anticipated that due to the re-allocation of funding in the budget, the average staff number for 1996-7 will be 133.25.

The turnover of permanent staff over the past six months is 8%. The turnover figures since the Commission commenced operation in 1989 are shown in the following table:

Period	Average turnover of permanent staff
1989/90	32%*
1990/1	35%*
1991/2	30%*
1992/3	24%
1993/4	28%
1994/5	26%
1995/6	17%

\* may include temporary staff

For the 1996-97 financial year the Commission's budget allocation is \$13,071,000 in recurrent expenditure and \$240,000 in capital expenditure. The Commission's projections indicate that the total funding will be utilised during the financial year.

The Commission's funding decreased in real terms in 1996-97 as a result an agreement with the Director General of the Premier's Department in August 1995. This has meant that the Commission's staffing level in 1996-97 will drop by 6.5% from 1995-96. This decrease has been apportioned across major functions and the services that support them to enable the

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Commission to be within budget. This has meant that the work pressures on staff have increased. Further decreases in real funding would mean the Commission would be unable to function as effectively as it does at its current level.

### **8. What is the status of the work of the Operations Review Committee?**

The Operations Review Committee (ORC) was established by the Independent Commission Against Corruption Act (ICAC Act). The statutory basis for the Committee is found in Part 6 of the ICAC Act which outlines the functions, membership and procedure of the Committee.

#### **Role and Function**

The ORC is one of the Commission's most important accountability mechanisms. The Committee operates under the following terms of reference agreed to by the Commissioner and the other members of the Committee:

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

#### **Membership**

As at the end of the reporting year ORC membership was as follows:

- . Commissioner B S J O'Keefe AM QC;
- . An Assistant Commissioner
- . Mr Laurie Glanfield, Director General, Attorney General's Department;
- . Mr Peter Ryan QPM, Police Commissioner;
- . Reverend Harry Herbert, General Secretary of the Board for Social Responsibility in the Synod of New South Wales of the Uniting Church in Australia;
- . Ms Carmel Niland AM, company principal;
- . Mr John Kennedy, solicitor in private practice, and
- . Ms Yvonne Grant, lecturer.



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

### **The Workload of the ORC**

The ORC generally meets on the first Friday of every month, excluding January. The meetings are held at Commission premises and are chaired by the Commissioner or Assistant Commissioner. A quorum is comprised of five members, one of whom must be the Commissioner or an Assistant Commissioner.

Information is presented to the ORC by Commission officers by way of written reports. Those reports outline the nature of the allegations, the extent of the enquiries undertaken by Commission officers, and provide a recommendation regarding future action. Committee members are provided with the reports a week prior to each meeting so as to allow them sufficient time in which to consider all the reports.

During the meetings, the ORC may reject, accept or modify recommendations made by Commission officers and/or request that further investigation be undertaken in relation to any matter reported to it. In 1995-96 the Committee met a total of 11 times and considered reports on 1505 matters. This was 511 more than in the previous reporting year. Of the 1505 matters:

- . The ORC accepted the recommendation made in 1256 of the matters, without any alteration or comment.
- . The ORC made specific comment or alteration to the recommendation before accepting the report in relation to 195 matters.
- . The ORC did not accept the recommendation made, but rather sought further information and required further reports to be prepared, in relation to 54 matters.

Of the 1505 matters considered by the ORC, 555 recommended, and the ORC accepted, referral to another agency for its consideration.

A total of 176 matters were reported to the ORC, by way of a Status Report, during the reporting period. Status Reports are required when a matter has not been closed and is older than six months. Status reporting is an accountability mechanism to ensure that Commission officers handle matters in a timely fashion and do not keep them active for longer than is necessary. Status Reports must outline to the Committee what future action is proposed.

Attached at Annexure 2 is a table setting out matters considered by the Committee over the life of the Commission. The table has been updated to incorporate those matters considered

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since the last public hearing of the PJC.

An increased number of matters being received by the Commission has meant a consequent increase in the workload of the Operations Review Committee.

Nevertheless, the ORC continues to meet its responsibilities and deals with matters in a timely manner, and the members' commitment to the work of the Commission is greatly appreciated.

### **Auditing ORC Reports and the Associated File(s)**

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

#### **Internal Audit**

The Project Officer is responsible for randomly selecting reports submitted to the ORC at the monthly meetings and strictly evaluating the reports against the contents of the associated file(s). The audit examines reports for possible inaccuracies or inadequacies, and determines whether the report is in the correct format, as specified by the Commission's internal policies and procedures.

Where the Project Officer is dissatisfied with the report submitted a further report is requested correcting any deficiencies picked up in the audit. A total of 115 files were audited during the reporting year. The criteria used when auditing files is as follows:

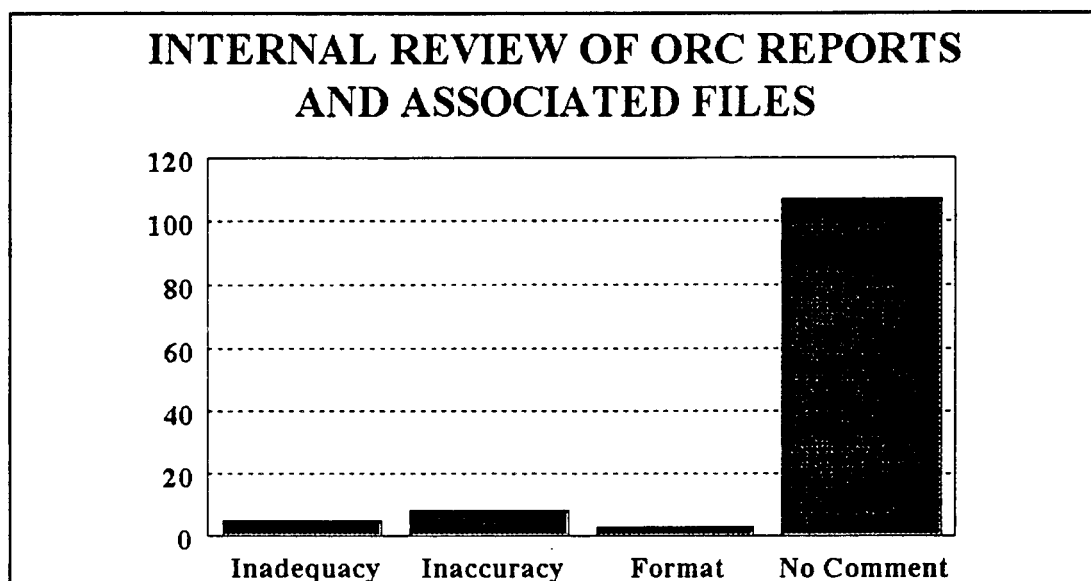
**Inadequacy** – The adequacy of the information provided in the report is evaluated against the contents of the file. Issues taken into consideration in the course of the audit include instances such as vague and/or generalised reporting of the allegations made by the complainant. The full and specific details of the allegation(s) made should be included in the ORC Report.

**Inaccuracy** – The accuracy of the information provided in the report is evaluated. Instances such as misquoting a person's title or recording dates incorrectly would be included in this category.

**Format** – The format of the report is evaluated to ensure it complies with the Commission procedure.

In some instances reports may attract more than one comment. The table below represents the findings of the audit of the 115 files conducted at the end of the last financial year

(1995-96).



### External Audit

In July 1996 the Commission engaged the services of an external auditor from the Audit Office of New South Wales to conduct an audit of the Commission's enquiry files. The scope of the audit required a review and appraisal of the adequacy and effectiveness of the Commission's procedures and controls to ensure that all complaints received by the Commission were promptly and properly recorded and were classified and reported to the ORC in compliance with statutory and operational requirements.

The audit randomly selected 100 enquiry files from a population of 1781. The specific objectives of the audit were to:

- determine whether the enquiry classification system had been appropriately applied; and
- from an examination of the complaint files included in the sample, determine whether:
  - a matter classified as a complaint was reported to the ORC for advice prior to closure;
  - in the event that the ORC called for a further report, one was presented in the specific time frame;
  - the requirement for reporting on the status of a matter was complied with;
  - where a complaint became, or was incorporated into a formal investigation,

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- it was included in the final report to the ORC recommending discontinuance;
- that the graphical representations provided to the ORC concerning the number of complaints received and finalised each month are accurate and adequate;
- that where the minutes recorded of each meeting specify some action to be undertaken by the Commission, that the request is complied with.

In addition to reporting on specific objectives, the task included the requirement to report any matters considered as warranting management attention, together with any appropriate recommendations.

The audit found that the Commission has overall complied with its statutory requirements in relation to the reporting requirements to the ORC. As a result of the audit the Commission has identified areas where improvement can be made in the operational procedures and requirements.

**9. What is the status of the work of the investigative section?**

**and**

**10. What is the status of the work of the legal section?**

Investigating allegations of corruption is one of the ICAC's primary functions. Responsibility for this rests mainly with the Investigations Unit and the Legal Unit.

The Investigations Unit consists of investigators, surveillance officers, analysts (criminal and financial), assessment officers and support staff. The Investigations Unit has as its main priorities, the assessment of complaints and reports received about corrupt conduct involving the New South Wales public sector, a proactive and reactive approach in targeting areas of possible corrupt activity and a strategic analytical role in identifying matters which have significance across the public sector.

The Legal Unit consists of lawyers, a project officer and a property officer and support staff. The Commission's lawyers are concerned primarily with the Commission's investigative function. In particular, the lawyers are concerned to ensure that the Commission's work is performed lawfully and fairly. The lawyers also participate in the work of and at times lead multi-disciplinary investigation teams. They manage the Commission's hearings and at times act as counsel assisting in private hearings. At the conclusion of investigations, lawyers work closely with the presiding commissioner in the preparation of the investigation report.

Members of the Investigations and Legal Units work closely with other areas of the Commission and in particular the Corruption Prevention and Education Unit.

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**Overview**

The number of formal investigations undertaken by the Commission increased during 1995-96. Seventeen formal investigations were approved by the Commissioner in 1995-96, compared with nine such investigations in the previous year. Formal investigations involve use of the Commission's powers, for example hearings, use of search warrants, listening devices, etc, and /or involve considerable resources. Two Assistant Commissioners were appointed during the financial year to preside over Commission hearings.

In preparing the answers I have provided statistics for the last financial year which will be contained in the forthcoming Annual Report together with updated statistics to 30 September 1996.

The increased use of the Commission's formal powers is seen in the following chart:

<b>Powers</b>	<b>1995-96</b>	<b>1994-95</b>
Section 21	39	17
Section 22	243	114
Section 23	12	0
Search Warrant	37	28

As can be seen from this table a total of 331 formal powers were exercised in 1995-96. From 1 July to 30 September 1996, 106 have been exercised.

More significant in terms of covert investigations are the following figures in respect of listening device warrants which reflect steps taken by the Commission to enhance its technical surveillance capacity in the past 12 months:

<b>Period</b>	<b>Number of Warrants</b>
1995-96	47
1994-95	2

Since 1 July to 10 October 1996 ten listening device warrants have been obtained.

**Complaints and Reports**

The total number of matters received by the Commission increased during the past financial

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year, as the following material demonstrates.

The number of classification of individual matters received in 1995-96 are shown below:

Classification	Number of Matters	Percentage
Complaints (s10)	896	52.9%
Protected Disclosures*	196	11.6%
Reports (s11) **	387	22.9%
Outside jurisdiction	76	4.5%
Information	94	5.5%
Inquiry	35	2.0%
Dissemination	6	}0.6%
Own Initiative (s20)	4	
Referral from Parliament	0	
<b>Total</b>	<b>1694</b>	<b>100%</b>

Note: \* It should be noted that protected disclosures are but one form of s10 complaint  
\*\* Excludes s11 matters reported by schedule

### Complaints from the Public

Complaints from the public rose by 42%, to 1092 in comparison with the previous financial year.

### Mode of Complaints

Complaints are received by letter, telephone or personal visit. The breakdown for the financial year for other than protected disclosures is as follows:

Letter	412	46.0%
Telephone	398	44.4%
Visit	85	9.5%
Country visit§	1	0.1%

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(Note: § Complaints taken by Commission officers in country locations)

**Public Authorities Subject to Complaints**

Those public authorities subject to complaints from the public under s10 in the last financial year were:

Local Government	34.0%
Police	24.8%
Health/Area Health Services	3.6%
Corrective Services	2.8%
Roads & Traffic Authority	2.7%
Courts and Justice	2.3%
Aboriginal Land Councils	2.2%
Department of Community Services	2.0%
State Rail Authority	1.8%
Members of Parliament	1.3%
All others	22.5%

**Complaints received 1 July to 30 September 1996**

The following table provides a breakdown of matters received for the period 1 July to 30 September 1996 and includes a projection to the end of the financial year if the current trend is maintained.

Classification	Number	% of total	Projection to end of 96-97
Complaints (s10)	225	47.6%	900
Protected Disc	53	11.2%	212
Reports (s11)*	129	27.3%	516
Information	41	8.7%	164
Inquiry	10	2.1%	40

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<b>Classification</b>	<b>Number</b>	<b>% of total</b>	<b>Projection to end of 96-97</b>
Outside juris	13	2.7%	52
Dissemination	2	0.4%	8
Own initiative	-	-	-
Parliament ref	-	-	-
<b>Total</b>	<b>473</b>	<b>100%</b>	<b>1892</b>

\* Excludes s11 matters reported by schedule

Using the projection for the 1996-97 financial year, I would anticipate an overall increase in reporting to the Commission in the order of 11.7% over the 1995-96 financial year.

The principal increase for 1996-97 appears to result from improved s11 reporting by public authorities, which is consistent with our experience to date. The Assessments Section has been working with the particular agencies (such as the Department of Community Services, the State Emergency Services and the New South Wales Fire Brigade) in an effort to improve reporting.

### **Reports from New South Wales Government Authorities**

Improving liaison and strengthening working relationships with the public sector is a key aim of the ICAC, and this continued throughout 1995-96. Such work succeeded in increasing the number of matters reported individually and by schedule. Compared with 1994-95 there was a minor (1%) rise in individually reported matters (383 to 387) and a 37.3% increase in scheduled matters (6742 to 9256).

Commission officers are nominated to liaise with various agencies to ensure ongoing contact to assist with reporting and general enquiries.

The Ombudsman's office is a significant source of reports. Reports from most public authorities relate to possible corrupt conduct within the reporting authority. Many complaints about public authorities are, however, received by the Ombudsman. When these appear to relate to corrupt conduct, the Ombudsman refers them to the Commission. The large number of such reports from the Ombudsman is shown on the following table for 1995-96, which also indicates other agencies reporting significant numbers of matters.



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Police	6745	70.0%
Ombudsman	1742	18.0%
Dept of Local Government	284	3.0%
Corrective Services	177	1.81%
Dept Community Services	166	1.7%
Roads & Traffic Authority	89	0.92%
State Rail Authority	70	0.73%
All others	370	3.84%
<b>Total</b>	<b>9643</b>	<b>100%</b>

### **The Assessment Process**

Each matter received is assessed according to criteria developed to ensure that the ICAC Act, the Commission's Corporate Plan and operational strategy are taken into account. A brochure describing the Commission's decision making process is made available to complainants.

A three-member Assessment Panel meets four times a week to assist with the initial determination of which matters will be pursued. The Panel, which is assisted by the Assessments Manager, consists of the Director of Investigations, the Solicitor to the Commission and the Director of Corruption Prevention & Education or their nominees.

Applying the criteria referred to above, the Panel decides which matters should be investigated, referred to other agencies for investigation, or not pursued further. The Panel's decisions about individual (s10) complaints must be referred to the ORC.

Matters regarded as having potential for investigation are passed to the Assessments Section for initial enquiries and further research. Such matters are then re-assessed and may be sent for investigation or may be not pursued further.

Some matters from the outset, however, require immediate action and are referred by the Panel directly to the Investigation Unit.

### **Formal Investigations**

To ensure that its considerable powers are used only when appropriate, the Commission has developed an internal procedure for approval of their use within an investigation. Initially, scope and purpose documents are drafted to establish the parameters of an investigation.

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These are signed by the Commissioner at the start of each investigation in which coercive powers are to be used. Such operations are referred to as formal investigations and usually involve the commitment of significant resources.

### **Powers**

The exercise of formal powers is set out above. In addition to those powers, telephone calls may be intercepted and recorded by the Commission under the Telecommunications (Interceptions) Act 1979 provided a warrant is obtained from a Federal Court judge. The warrant must satisfy strict requirements under the Act and relate to classes of offences set out in the Act. Until this year, however, (see Legal Changes Affecting the Commission) those offences did not include corruption as a separate category. The number of warrants sought and obtained from the Federal Court in 1995-96 is set out above.

To ensure compliance with statutory requirements, the New South Wales Ombudsman inspected the ICAC's records in relation to telephone interception activities on 8 February 1996 and 18 June 1996. Inspection reports have been satisfactory and the Commission is looking to upgrade its system of recordkeeping to accommodate the expected increase in activity in this area consequent upon the amendments to the legislation.

### **Hearings**

The purpose of hearings is to facilitate an investigation. A person can be summonsed by the Commission to give evidence and produce documents (s35 ICAC Act). Two-hundred and twenty-eight such summonses were issued during the reporting period. The Commission can also direct that prisoners appear before it, although no such orders were made to the Department of Corrective Services in 1995-96.

Hearings are conducted by the Commissioner or an Assistant Commissioner; they can be held in public, private or a combination of both. When considering whether to hold hearings in public or private, the Commission must take into account any matter related to the public interest.

The Commission may give directions as to the persons who may be present during a private hearing. The publication of evidence may also be prohibited by the Commission. Any witness at a hearing is generally permitted legal representation, while any person or group with a substantial and direct interest in the same matter may also be allowed representation.

A document which outlines hearing procedures and matters considered when deciding if proceedings should be public or private has been published by the Commission; copies are available on request.

When a public hearing occurs or an investigation originates from a Parliamentary reference,

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the Commission must provide a report to Parliament. Reports may also be prepared about any other ICAC investigation.

Hearings were held into 11 matters in 1995-96.

<b>Matter</b>	<b>Public Hearing Days</b>	<b>Private Hearing Days</b>	<b>Both</b>
An Arbitration (No 96)	-	1.5	-
Southern Mitchell Electricity (No 88)	24	-	-
Conduct of a harness racing official (No 88)	-	1	-
Conduct of Guiseppe Morizzi (No 76)	18.5	5	5
Conduct of Glebe Morgue (No 98)	9	8	1
Conduct of Damon Schreiber (No 69)	2.5	5.5	2
A Public Authority (No 91)	-	1.5	-
Conduct of Gregory John Sealby (No 92)	6	4	3
Police Air Wing (No 79)	9.5	-	4
Byron Bay Council (No 80)	5.5	-	1
Public Employment Office (No 100)	27	5	8
<b>Total</b>	<b>102</b>	<b>31.5</b>	<b>24</b>

The period 1 July to 30 September 1996:

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<b>Matter</b>	<b>Public Hearing Days</b>	<b>Private Hearing Days</b>	<b>Both</b>
(No 102)	-	1	-
Conduct of a harness racing official (No 88)	-	1	-
Conduct of Guiseppe Morizzi (No 76)	10	1	-
Conduct of Glebe Morgue (No 98)	-	3	-
(No 104)	-	5	-
Conduct of Gregory John Sealby (No 92)	6	1	1
Public Employment Office (No 100)	3	5	3
<b>Total</b>	<b>19</b>	<b>17</b>	<b>4</b>

**Investigation Reports to Parliament since May 1996**

Allegations that an official of the Harness Racing Authority had engaged in corrupt conduct by exercising partiality in the performance of his official functions relating to race enquiries and had engaged in betting on harness racing events in contravention of the code of conduct for the industry. A report has been provided to Parliament.

**Continuing Formal Investigations**

There are 12 significant formal investigations. Seven were referred to in answer to Question 1. Operation Zack is referred to below. The other matters involved the examining of events associated with the tendering processes of various authorities, allegations of theft, bribery and the improper conduct of employees within various Government institutions.

**Investigation 81 into Aboriginal Land Councils**

Since the ICAC commenced in 1989, many Aboriginal people have lodged complaints alleging fraud and other corrupt conduct in the land councils system. The nature and

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quantity of material being received by the Commission clearly indicated the need for an inquiry.

On 9 May 1995 Commissioner Barry O'Keefe, approved the commencement of an investigation relating to Aboriginal Land Councils in New South Wales. The investigation includes an examination of the practices and procedures of Aboriginal Land Councils with a view to discovering corrupt conduct and securing the revision of methods or procedures which may be conducive to corrupt conduct.

### **Liaison with Law Enforcement Agencies**

To facilitate its work, the ICAC liaises with State and Commonwealth law enforcement agencies, which provide information and assistance. Commission information is also exchanged with these agencies where appropriate.

During 1995-96, information and data were exchanged with the Australian Federal Police, the Australian Bureau of Criminal Intelligence, the National Crime Authority, the Australian Customs Service, the New South Wales Police Service, Victorian Police Service, Western Australian Police Service, the Royal Commission into the New South Wales Police Service and the State Crime Commission. Liaison with the Royal Commission has been extensive and continuous since its establishment in late 1994.

Important communication channels are created for the ICAC and those agencies concerned. The ICAC's extensive intelligence holdings contribute significantly in forging such links.

### **Legal Changes Affecting the Commission**

There were two significant legal changes affecting the Commission in the reporting period. The first concerns the establishment of the Police Integrity Commission (PIC) and consequent amendments to the ICAC Act. The second concerns the ICAC's telephone intercept powers.

### **ICAC Act**

The Police Integrity Commission Bill and the Cognate Bill were assented to on 21 June 1996. The PIC Act establishes the Commission, which will have responsibility for investigating serious complaints against police. The ICAC will no longer have jurisdiction to investigate police matters although it retains its roles in relation to the Police Service in the areas of corruption prevention and education.

The PIC Act contains many provisions taken directly from the ICAC Act, and the ICAC is pleased that many of the submissions it made for amendments to the PIC Bill and for consequential amendments to the ICAC Act have been adopted in the legislation.

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Many of the amendments will ensure that the PIC and the ICAC have complimentary powers. Of particular significance to the ICAC are the following amendments to its legislation:

- . A provision which will give ICAC officers, who are seconded police officers from outside New South Wales, the powers of a New South Wales police officer. This will give the ICAC greater flexibility in recruiting investigators by relieving it of the necessity to rely on secondments of New South Wales police officers to ensure that the ICAC has the necessary police powers to assist investigations.
- . A provision which will enable a designated senior ICAC investigator to conduct searches of persons in certain circumstances during the execution of search warrants. Currently, this power is available only to police officers. This provision will again reduce the need for the ICAC to be reliant on New South Wales police officers.
- . Sections 93 and 94 of the ICAC Act as previously drafted created offences against individuals or employers where they cause violence, punishment, damage, loss, disadvantage or prejudice in employment to a person because they have been a witness before the Commission or have complied with the notice provisions under s21 or s22 of the Act. The ICAC sought an amendment to extend the offence provisions beyond witnesses and those who comply with notices to persons who assist the Commission during its investigations. This now means that if a person has lodged a complaint or is providing the Commission with information it will be an offence to take action against that person on account of their having assisted the Commission.
- . Section 50 of the ICAC Act dealt with protection of witnesses. It has been replaced with a new and more useful provision which gives the Commissioner the power to direct the Commissioner of Police or a prescribed public authority or prescribed public official to provide protection or assist in the provision of that protection.

### **Recommended Legal Changes**

In the past financial year in this area the Commission was concerned mainly with preparing submissions firstly to the Royal Commission into the New South Wales Police Service, and secondly in relation to the Police Integrity Commission Act 1996 and the consequential amendments to the ICAC Act discussed above. The Commission was an active member of the Royal Commission Implementation Task Force which prepared drafting instructions for the legislation.

The Commission has also worked with other agencies including the New South Wales Police Royal Commission, the State Crime Commission, the New South Wales Police Service and the Attorney General's Department on a proposal for legislation to deal with aspects of covert operations. The Committee examined similar legislation introduced by the Commonwealth and South Australia following the decision by the High Court in *Ridgeway v Ridgeway* 1995

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129 ALR 41.

In August the Commission received a copy of the Privacy and Personal Information Protection Bill. Since then the Commission has been engaged in discussions with the Attorney General's Department and other affected agencies regarding the need for the Bill to take into account the legitimate interests and requirements of investigative agencies. The Commission's particular concern is that the provisions of the Bill should not act as an impediment to the Commission's proper exercise of its functions under the ICAC Act.

### **11. What is the current status of workloads of other sections?**

The Commission is divided into four Units being Investigation, Legal, Corruption Prevention & Education, and Corporate Services & Research. The work of all Units except for Corporate Services & Research Unit has been covered in the preceding questions as has the work of the Research Section. I will now address the work of Corporate Services and other corporate activities not addressed elsewhere.

#### **Commission Consultative Group**

A strong consultative culture between management and staff has developed at the ICAC since an Enterprise Agreement was adopted in late 1994. The formal mechanism for this is the Commission Consultative Group (CCG), which has management and staff representatives.

Improved communication between staff and management and consultation on matters of policy and procedure are the CCG's main roles, with the desired outcome being improved performance through better informed decision making.

The CCG meets monthly. Currently most of the work of the CCG is concentrated on negotiations for the Commission's next Enterprise Agreement. The negotiating group is meeting weekly and expects to have a draft agreement ready for consideration by all staff before Christmas.

#### **Equal Employment Opportunity Committee**

The Commission has an EEO Committee of staff representatives elected annually and a representative of senior management. Although it is not covered by the NSW Government's equal employment opportunity (EEO) legislation under Part IXA of the Anti-Discrimination Act, the ICAC has developed an EEO program which recognises the significance of EEO in the workplace.

The Committee is presently developing a comprehensive harassment policy and exploring ways to ensure women are appropriately represented in all functional areas of the

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Commission. Since I last appeared before you they have completed a review of staff needs arising from staff child care responsibilities.

### **Occupational Health & Safety Committee**

In accordance with State legislation the Commission has an Occupational Health and Safety Committee which meets regularly. A recent inspection of the Building by Committee members found only minor problems. The Committee is planning a review of sick leave Commission wide.

The Commission's Personnel Manager is the Executive Officer for these three important committees.

### **Statutory appointments**

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

Since I last reported to you, Mr Peter Hall QC, was appointed Assistant Commissioner from April to July and conducted hearings into the removal of a senior public servant and Ms Ruth McColl, SC, was appointed Assistant Commissioner initially from May to July. She conducted hearings into corrupt practices at a Sydney morgue.

### **Senior Management**

Senior Management meets weekly to assist the Commissioner's administration of the organisation and to discuss strategic, operational and policy matters. Last week I appointed Guy Slater as the Commission's Director of Investigations. He is a former Detective Superintendent of the Australian Federal Police. After spending four years in his country's navy, Canadian-born Mr Slater emigrated to Australia in 1971 and joined the Commonwealth Police in 1972. During 24 years as a police officer, Mr Slater gained extensive experience in investigating organised crime, especially that involved with serious fraud and illicit drugs. He was chosen after a large and international group of candidates had been considered.

### **Staff Numbers**

The Commission's staffing numbers are monitored on a monthly basis. At the beginning of the 1995-96 financial year the Commission employed a total of 129 people, with an authorised establishment of 145. By 30 June 1996 the number was 142, with an average figure of 146 for the year. This financial year I have been forced by a reduction in real terms in our funding to reduce staff numbers to an average of 134. This will have an inevitable consequence in terms of the amount of work the ICAC is able to do.



### **Delegations**

Over recent months I have widened the financial and personnel delegations to the Directors of all Units. Each Director is now responsible for seeking appropriate funds to perform the functions they are responsible for and for managing their expenditure against their allocated funds. This has improved accountability and has resulted in a better utilisation of the Commission's financial resources. I have also made Directors responsible for some personnel functions such as recruitment, thus moving the Commission from an organisation where control was centralised to one where control, and therefore accountability, is more decentralised.

These changes led to a major review of Corporate Services functions and staffing. This has resulted in a decrease in Corporate Services staffing from 39 to 33 with 3 of these positions being transferred to other Units. Workload in some Corporate Services sections, especially those intimately involved with investigations, has increased in conjunction with our operational activity. I expect this trend to continue.

### **Information Technology**

The Information Technology Section is responsible for providing a functional and reliable computer service to the Commission. The network is based on client-server architecture and comprises three UNIX-based mini computers, 140 personal computers, a database management system, image processing equipment, and specialised equipment for desktop publishing.

With the assistance of external consultants, a five-year Information Technology and Telecommunications Strategic Plan has been formulated. Implementation of this plan begins in 1996-97. Although the Commission's computer system is outdated and needs replacement our network availability exceeded 99% and unplanned downtime was less than five hours during the past year.

### **Information Services**

A range of library and data services including reference and research utilising on-line computer systems is provided by the Information Services Section.

An Internet service, which provides staff with access to numerous worldwide web sites has been established over the past few months. This service has been particularly useful in providing lawyers with interstate and overseas legislation. It has also been of considerable assistance to corruption prevention work associated with the Commission's investigation into Aboriginal Land Councils, as staff were able to communicate with and download documents from various indigenous peoples' groups.

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### **Security Services**

The Commission's Security Section ensures that Commission staff, property, information, operations and witnesses are protected. It is also responsible for the security vetting of all staff, consultants and contractors. The Commission contracts the NSW Police Service Security Management Branch to provide special constables on a 24 hour roster to assist in this function.

Changes to the Commission's powers regarding witness protection have increased the workload of the Security Section and the Security Manager is a member of the NSW Interdepartmental Committee on Custodial Witness protection. With increasing amounts of information being created, stored and communicated electronically, security of electronic data is a major area in which constant vigilance is required. The Commission is presently conducting a major review of its security requirements in this regard and is a member of the NSW Intra-governmental Electronic Messaging System (IGEMS) Security Focus Group.

### **Records Management**

The ICAC's records are managed in accordance with principles established by the NSW Records Management Office for use by public sector agencies. Major projects underway in this area include a review of all ICAC holdings with the intention of achieving greater integration of our information holdings and a move to providing real time transcript for Commission hearings.

### **Technical Services**

The Technical Services Section performs a number of specialist functions including technical advice, analysis of seized and surrendered computer discs, and the installation and maintenance of equipment needed to support Commission investigations. Changes to federal legislation widening the bases on which warrants to intercept telephones may be sought has increased the need for the Commission to improve its capacity in this regard. This will increase the workload of this Section.

In summary, the Commission's Corporate Services have seen significant changes over the past six months to the type of work they are performing and the ways they are performing it. This has been accompanied by appropriate decreases in their staff; staff which was able to be reallocated to operational duties elsewhere in the Commission.

### **12. What is the status of work relating to conferences or seminars?**

Displays undertaken at conferences are specified in answer three Public Education Status Report.

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An Investigation Techniques Conference convened by the Institute of Public Administration and sponsored by the New South Wales Ombudsman's Office and the ICAC was held on 25 and 26 June. Over 280 people took part in the two day conference which covered subjects such as computer technology for investigations, procedural fairness and interviewing techniques. The Commissioner and three Commission officers participated in the conference by chairing sessions and delivering papers.

In August, three staff members in addition to the Commissioner presented papers at the Ethics in the Public Sector International Conference in Brisbane.

A staff member presented a paper on the Commission's education role at the "Shaping the Future - K-12 Technology Education" Symposium, and others took an active part in the October Public Sector Corruption Prevention Committee Forum on investigating fraud.

Presentations about the work of the Commission and corruption prevention strategies were given to a wide range of organisations. These included the Australasian Law Students Association Annual Conference, the Local Government and Shires Association, the Western Australian Local Government Week convention, Parklea Correctional Centre Staff and a Centre for Continuing Education Course at Sydney University. These were in addition to quite frequent presentations by me to various groups.

In the past six months the Corruption Prevention Unit has provided speakers at 13 seminars with a range of organisations including Workcover, North Sydney Council, Police Service (including Child Protection Enforcement Agency), Department of Corrective Services, Australian Institute of Public Administration, Department of Health, New South Wales Fire Brigades, Institute of Municipal Management and Department of Land and Water Conservation.

In addition to these presentations, a strategic approach is being developed for corruption prevention seminars. The Regional Organisations of Councils are being invited to sponsor seminars, tailored to their member councils' needs, on the Commission's work on handling conflicts of interest and managing councillor/staff relationships. These seminars will be targeted to both staff and Councillors.

The Corruption Prevention & Education Unit is also approaching a number of state government agencies which are known to have specific corruption prevention training needs. The Unit will be designing specific seminar programs for each of these agencies.

The Corruption Prevention & Education Unit has held discussions with the Australian Institute of Public Administration, who have an extensive seminar program aimed at both state and local government, about opportunities for the Commission to participate as presenters or panel members in various programs. The Institute is targeting local government officers in particular. In addition I will be presenting two talks to public sector

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members being organised by RIPAA in October/November.

### **13. What is the status of the Commission's work on contracts relating to the Olympic Games?**

The Corruption Prevention & Education Unit has provided advice to the Olympic Co-ordination Authority (OCA) on a number of issues relating to preparations for the development of the Stadium, the Athletes Village, the Equestrian Centre and aspects of the Homebush Bay and other sites. A particular focus of this advice has been the development of evaluation methodologies and protocols to assess private sector proposals for Olympics infrastructure.

Mr David Richmond, Director General of OCA has expressed his thanks to the Commission for the promptness and thoroughness of the response to OCA's requests for assistance. The Commission has developed an on-going consultative relationship with the OCA and has been invited to become involved in relevant staff training on probity issues in the future.

### **14. What is the status of the Commission's work in relation to Central Policy Agencies, training in public duty and ethical issues, the use of probity auditors, and the promotion of best practice?**

The Commission has continued to consult and liaise with a wide range of central policy agencies to ensure that probity issues are a fundamental consideration in the development of State and Agency-wide policies.

The Corruption Prevention Unit is intending to commence a project to develop a corruption prevention diagnostic model which the Commission and agencies can use to determine where problem areas are in an organisation.

Work undertaken by the Commission with relevant agencies in the last six months includes:

#### ***Police Integrity Commission/Royal Commission***

- . ICAC was represented on the Royal Commission Implementation Task Force which included representatives from The Cabinet Office, Premier's Department, Public Employment Office, Police Ministry, Police Service, Royal Commission, Ombudsman's Office and the ICAC.

#### ***Police Service***

- . Evaluated and provided comments on the *Police Service Corruption Prevention*

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### *Planning Manual.*

- . ICAC representative on the Police Accountability Panel.
- . ICAC representatives on the Education and Training Command Personal Accountability Implementation Committee.
- . ICAC representative on the Internal Witness Support Council.
- . ICAC represented on Ministerial Committee of Advice on the Police Academy.

### *Legislative Council and Legislative Assembly*

- . The ICAC has been active in assisting the Houses of New South Wales Parliament to develop and implement Codes of Conduct which is intended to offer assistance and guidance to members in their duties as representatives of the community.

### *Protected Disclosures*

- . ICAC chairs the Protected Disclosures Steering Committee which includes representatives from The Cabinet Office, New South Wales Ombudsman, Audit Office, Department of Local Government and Public Employment Office. The aims of the committee are to increase the awareness and implementation of the Protected Disclosures legislation by coordinating each agency's efforts in relation to education and information provision.

### *Premier's Department/Public Employment Office (PEO)*

- . Commission staff have also been working with the Premier's Department on ethical, administration, policy and practice issues arising out of the investigations into matters raised with the Commission by the former Director General of Community Services.
- . The Commission continues to work co-operatively with central policy and accountability agencies on projects to develop and implement best practice guidelines to minimise the incidence of corrupt conduct. A revised public sector model code of conduct and a review of existing public sector codes, on which the Commission has worked jointly with the Premier's Department, is to be published in December 1996.
- . Input was provided on the review being conducted by the PEO into the policies, legislation and current practices which guide recruitment in the New South Wales public sector. This review also has implications for the Commission's corruption prevention project on the ethical issues which emerge in recruitment and selection.

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### ***Department of Public Works and Services***

- Represented on the working party to develop a public sector wide Code of Practice for Procurement and Disposal which will also affect the further development of best practice guidelines in this area. The Code is intended for both private and public sectors and clearly states the responsibilities and expectations of all parties.
- Liaison and assistance in drafting the Code of Practice and Best Practice Guidelines for Information Technology and Telecommunications functions.
- Reviewed and provided comments on the *Infrastructure Partnership Implementation Guidelines* which were released mid year.
- Reviewed the *Capital Projects Procurement Manual*.
- Consulted with DPWS units on other issues arising from the private/public sector interface.

Commission staff are members of the following:

- New South Wales Government Electronic Network Security Focus Group.
- New South Wales Intra-Governmental Electronic Messaging (IGEMS) Security Focus Group.
- GSAS: Information Management Systems Applications Review Committee:
  - Library Management Systems
  - Financial Management Systems

### ***Department of Health***

- The ICAC will be participating in a review of the Department's code of conduct.

### ***Department of State and Regional Development***

- Consulted with the Department on issues arising from the private/public sector interface, such as the disposal of land.

### ***SRA and successor organisations (Rail Access Corporation, Freight Rail, Railway Services Authority, StateRail)***

- Provided advice to the Rail Access Corporation on the negotiations being undertaken to determine access to the rail network.

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- Provided advice to Chairpersons/CEOs and Minister on corruption prevention, corporate governance and accountability (jointly with Auditor General and Ombudsman).

### ***Treasury***

- Consulted with the Department on issues arising from the private/public sector interface.

### ***Audit Office***

- Consulted with the Office on issues arising from the private/public sector interface.
- Consulted on the Office's work on corporate governance issues in relation to government boards.

### ***Department of Local Government***

- Undertook a joint project with the Department on the management of conflicts of interest in local government and the managing the interaction between staff and councillors. The draft guidelines are due for release in December 1996.

### ***Public Duty, Ethical Issues and Probity Auditors***

- The resource *Conduct Becoming... the personal responsibility of public duty* was produced and released in September 1996 as scheduled. The interactive kit consists of an 18 minute video, facilitator's guide, participant worksheets, a guide for self-paced learning, case studies, and a PC formatted computer disc of case studies for agency customising.

The release was supported by an extensive statewide marketing campaign comprising direct mail, press advertising in industry journals, posters and seminars.

The resource had its origin last year. The Commission conducted need analyses sessions with 22 public sector trainers, human resource managers and industrial relations practitioners to determine how the Commission could best respond to needs associated with addressing public duty and ethical issues in the workplace.

The development and production was guided by an Advisory Committee consisting of representatives from the Audit Office, the Public Employment Office, the New South Wales Public Sector Association, the Institute of Public Administration of Australia New South Wales Branch, the Ombudsman's Office and the Environment Protection Authority. The Advisory Committee met on regular occasions to review

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material and provide expert, professional and industry specific advice on the most appropriate information required by the audience.

A competitive tender process was undertaken by the Commission to secure the services of a professional educational resource production company. The contract was awarded to the Open Training and Education Network (OTEN).

Of the 1500 kits produced over 700 have now been distributed on request to the following organisations:

- . State Public sector agencies - 76
- . Local Councils -177 (not on request)
- . Members of Parliament - 19
- . Interstate agencies - 15
- . Overseas agencies - 8

A four-phase evaluation proposal has been developed to measure the effectiveness of the resource in meeting the needs of the target audience.

- . As reported in May 1996 *The Practical Guide to Corruption Prevention* has been a most significant corruption prevention product of the Commission. The *Guide* continues to be in demand from a number of sources, local, interstate and overseas and is of value in the corruption prevention work of the public sector.

The *Guide* is also of great assistance to the ICAC corruption prevention function by providing a readily available and affordable resource which can be used for advice and authority in the Commission's advising role.

- . It is anticipated that a project report on the use of probity auditors will be released before the end of 1996. The draft document has undergone a review process which involved consulting with agencies that have used probity auditors, central policy making agencies and individuals who are providing probity auditing services. The comments received were quite diverse in nature and have been taken into consideration. Further close consultation has also been undertaken with the Department of Public Works and Services Infrastructure Partnerships Services Unit which have also undertaken work on the issue of probity auditing. The expected release date for the report is November 1996.
- . Corruption prevention staff have also worked with the Glebe Institute of Forensic Medicine and the Central Sydney Area Health Service to improve systems and procedures as a result of a recent investigation into the Glebe Morgue.
- . The Commission is a member of the Information Security Committee of the Research



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Foundation for Information Technology. This Committee is comprised mainly of academics and representatives from major IT users such as banks. It meets monthly to discuss IT security standards and developments.

**15. How do you counter the Auditor General's criticism that the ICAC's move into vetting State Government decisions before they are formally made decreases the effectiveness of the ICAC?**

There are two points to be made in response to this question. The first is that the alleged criticism referred to was contained in a 3 August 1996 article in the Sydney Morning Herald. With the Auditor General's permission I have attached a copy of his letter of 8 August 1996 (Annexure 3) to me which explains that his position was not accurately conveyed in the Herald article. In particular you will note that he states that "It is not usually appropriate to reject invitations to provide the Government with anticipatory advice, especially where that advice could avoid an error which would be the subject of subsequent criticism."

To address the Committee's question, irrespective of whether it is actually a criticism made by the Auditor General, "that the ICAC's move into vetting State Government decisions before they are formally made decreases the effectiveness of the ICAC" one must have regard to the ICAC Act itself. The Act includes a specific provision in s13(1)(e) that one of the principal functions of the Commission is to advise and assist any public authority or public official, on the request of the authority or official.

This does not mean that the Commission is prepared to allow public officials to avoid their responsibility for decision making by coming to the Commission. Rather the Commission requires those who seek its advice to have first thought through the problem and to have attempted to apply the relevant principles to its solution. Often times this will lead to the agency or official not further requiring the Commission's assistance, however, at times the relevant principles will not immediately provide a solution either because of the complexity of the matter or because of its novelty. In such cases the Commission does not shirk from providing assistance by way of advice. There is always the risk of course that the Commission could get it wrong. However, fear of error should not prevent the Commission from exercising its statutory functions. In addition any advice tendered is based on the facts and circumstances as revealed to the Commission. They are the premise. If they are not correct, then that may change the outcome.

The Commission's message to public sector managers is that they should be good risk managers. Every decision involves the risk that the manager may get it wrong, however, provided public sector managers apply the relevant principles it is unlikely that the probity and integrity of their decision making will be challenged.

**16. What is the status of the uptake and implementation of the *Practical Guide* within agencies seeking advice from the Commission?**

Almost one thousand hard copies of the *Practical Guide* have now been distributed. In addition 260 have been supplied in computer disc form to interstate agencies and private sector inquirers. The demand for additional copies from agencies continues as awareness spreads of the *Guide's* usefulness. The impact of this publication on the Commission's advice work has not yet been formally measured. However, the impression of Corruption Prevention Officers receiving requests for advice is that awareness of this resource is pleasingly high and that inquirers have often consulted it before calling or writing.

A letter is currently being sent to all copy holders calling again for feedback on the *Guide's* usefulness and notifying them of the forthcoming module on Internal Investigations. The contents will be reviewed in the first half of 1997 to identify modules which require updating and additional modules to be included.

**17. What is the status of the Commission's project monitoring the implementation and impact of the Protected Disclosures Act 1994 within agencies and local councils?**

The ICAC is currently conducting a four-phase study to explore the impact of the *Protected Disclosures Act, 1994* upon the New South Wales public sector.

**Phases 1 and 2**

Phase 1 involved a survey of CEOs and General Managers of all New South Wales public sector agencies and local councils. The aim of this phase was to find the number of organisations which had implemented reporting systems in response to the Act and those which had informed their staff about the Act. Phase 2 involved in-depth interviews with a relevant person from each of 15 organisations exploring their attitudes to and difficulties with the Act. In order to meet the objectives of the Act, respondents in Phases 1 and 2 said they require ongoing practical guidance and information about:

- . conducting investigations;
- . implementing internal reporting systems;
- . protecting staff;
- . legal interpretations and definitions; and
- . changing their organisational culture.

Organisations also identified education requirements such as training and awareness materials to promote the Act and materials to train staff who are going to be receiving and acting upon protected disclosures.

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Phase 1 and 2 were completed in the 1994–95 financial year and reports were distributed to all Parliamentarians, New South Wales public sector agencies, local councils, libraries and selected researchers (both nationally and internationally). In addition, a number of requests for reports have been received from international agencies. Requests for additional copies of reports from a number of New South Wales public sector organisations indicate that the research is being utilised by organisations. The results of Phases 1 and 2 were the subject of a media release in September 1996 which was intended to raise awareness of the Act and of the ICAC work.

Phase 1 and 2 findings were also part of the ICAC submission to the Parliamentary Committee on the Office of the Ombudsman which conducted the review of the Act.

The Phase 1 and 2 research resulted in the ICAC recommending to the Premier the formation of an inter-departmental Steering Committee. The Premier endorsed the formation of this Committee which has representatives from the Auditor General, The Public Employment Office, the Department of Local Government, the New South Wales Ombudsman and the ICAC. The aim of this committee is to implement practical strategies in response to the needs identified in the research. Activities undertaken by the Committee so far include a workshop for local councils which addressed many of the questions raised by organisations through the research.

### **Ongoing Research**

Two further phases of the research are currently being undertaken. While Phases 1 and 2 focussed on the experiences and needs of organisations with regard to the Act, the next two phases focus upon the experiences and concerns of employees.

### **Phase 3**

The aim of Phase 3 is to explore employee attitudes to making reports about corruption. We plan to survey approximately 1200 New South Wales public sector employees about:

- . their knowledge of the existence of the Protected Disclosures Act;
- . the barriers that would stop them from reporting corruption;
- . possible strategies that might help to alleviate some of their concerns.

The aim of this Phase is to derive practical strategies for organisations to implement and which may begin to create organisational cultures conducive to staff being able to speak out about corruption. It was widely recognised by organisations who responded to the Phase 1 and 2 surveys that what is required for the Protected Disclosures Act to work is a change in organisational culture. The first step in initiating this change is to find out where the major problems lie within organisations and what staff perceive may help them to feel safer in making reports within their organisations.

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The survey is an anonymous written questionnaire. The distribution of the survey is being undertaken throughout October in both metropolitan and regional areas of New South Wales.

### **Phase 4**

The data collection for Phase 4 was completed on 5 October 1996. Phase 4 involved telephone interviews with 30 people selected at random from amongst those who had made protected disclosures to the ICAC in the period up to the end of May 1996.

The 30 people were chosen at random from a larger group who responded to our written invitation to participate in the study.

The interviews involved one hour telephone interviews conducted by the research officer responsible for the protected disclosures project.

The data which have been collected are qualitative and highlight experiences and opinions specific to those people involved in the interviews. While the interviewees do not represent a sample from which generalisations about all people who make protected disclosures can, or will, be made, it does allow us to consider pertinent issues with regard to the experiences of people who make protected disclosures. A report is currently being written.

### **18. Has the Commission conducted any further Community Attitude Surveys, and if so, what are the results?**

The 1996 community attitude survey is currently being conducted. This year a sample of 500 adults across New South Wales will be telephoned and surveyed. These telephone interviews are currently being conducted over a period of approximately two weeks, commencing 15 October. Information on the topics similar to previous years is being sought. During the year since the last survey the ICAC has been mentioned in the media both in relation to its own work, and to the Royal Commission. The 1996 survey will explore awareness of media reports about ICAC activities and perceptions of the ICAC as a result of media reports.

As with previous community attitude surveys, the results will be publicly available in a published ICAC report. This will be available early in 1997.

### **1995 Community attitude survey:**

#### **Analysis of the views of those aged 18-24 years old**

At the request of the Education Section, the data from the 1993, 1994 and 1995 community attitude surveys were reanalysed to determine whether there were any differences in the attitudes and perceptions of young adults (those aged 18 to 24 years) and those who are

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older. Results of the analyses revealed few trends over time or statistically significant differences between the two groups.

In each of the three surveys, over half of the younger group considered that corruption in the New South Wales public sector was a major problem. However, those aged 18 to 24 years were also more likely to think that there was little they could do personally about corruption. In the 1994 survey when asked about the effects of public sector corruption in New South Wales on them or their family, almost one-third of the younger group responded that such corruption was not likely to affect them or their family in any way, whereas nearly half of those aged 25 or over thought that it would. Over the three years, both age groups have consistently expressed a very high level of support for the ICAC. Both groups have averaged over 90% support for the statement "the ICAC is a good thing for the people of New South Wales".

**19. What has the Commission learned, and what initiatives have been undertaken, in the area of public and private sector interface and the potential risks involved in dealing with non-government entities which breach ethical standards of acceptable standards of public probity?**

In recognition of the assistance that the Commission can provide in relation to the interface between the public and private sectors involved with major projects, and in response to the Premier's Memorandum 93-34 which requests agencies to contact the Commission before commencing a major project, many agencies approach the Commission for advice before undertaking a major project which may involve interfacing with the private sector. For example RTA Eastern Distributor, Luna Park and Olympics.

In response to this demand, the Commission's Corruption Prevention & Education Unit has been undertaking a project to examine the current issues arising from the public/private sector interface and to determine the implications for the work of the ICAC and other central policy making bodies. The project covers a wide variety of complex issues, some of which have only emerged during the consultation phase of the project. This has necessitated the extension of the project's completion date to the end of October.

The project has identified several changes in policy and guidelines including the National Competition Policy, privatisation and commercial initiatives by Government, which have dramatically increased the extent to which the private sector is involved in the provision of public services and infrastructure. Greater involvement of the private sector with the public sector can bring economic benefits but also opportunities for corruption. Such corruption clearly undermines the objectives of delivering best value to the community. Contracting out can increase the risk of corruption as there are fewer direct controls, and it may lead to less accountability, and loss of openness and transparency with the attendant risk of the business sector bringing undue influence on government decisions and policy processes. Some

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agencies may not adequately monitor and measure the performance of contractors and are therefore not able to assess whether best value for the public dollar has been achieved.

Another issue to emerge is the private sector approaching government to sell what it sees as a good idea. This can create the situation where the project becomes "deal-driven" rather than "needs-driven". This can increase the risk of corruption because of the temptation to make the needs analysis fit the idea. The government agency then takes on a project which may not have been identified as a priority or meet any of its previously identified needs.

Concerns have also been raised that contracting out is not always cost-effective for government and can have negative impacts such as decreased standards of services and facilities, as well as economic, environmental and social costs. This highlights the need for transparency and accountability in the contracting out processes and in monitoring the performance of contractors.

The project has identified several issues for further attention including direct negotiations, commercial confidentiality clauses in contracts, in-house bids, intellectual property, post tendering negotiations, and the impact of government probity standards on the relationship between the public and private sectors.

Work has already commenced to develop criteria that should be considered when in-house bids are to be made when government services and assets are being contracted out, leased or sold and what must be considered when an agency intends to undertake direct negotiations with private sector proponents.

The Commission has been consulting with the Department of Public Works and Services in the development of a *Code of Practice for Procurement and Disposal* that applies to the public sector as well as those in the private sector who wish to do business the government. The Draft Code states that organisations who breach the Code may lose their contract for non-compliance.

The private sector is becoming more aware of probity requirements, particularly when doing business with the public sector. This is reflected in the 19 recorded requests for telephone advice taken by the CP Unit from private organisations and in the fact that copies of the Commission's *Practical Guide to Corruption Prevention* have been requested by 25 private sector organisations including some major law and accounting firms.

**20. What progress has been made in relation to the education of members of parliament, and their staff, in the functions and practical application of the services of the ICAC in parliamentary duties, encompassed within your educative role?**

The findings of the 1996 Community Attitude survey prompted the Commission to announce

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to the PJC in its May 1996 evidence, its intension to run a series of presentations to Parliamentarians and their staff within the Prevention services Program.

Before substantial action was taken in this regard, the results of research into the needs of community advisers, commissioned in February 1996 and completed in June 1996 within the Community Relations Program, became available. That research had identified Members of Parliament as key community advisers. A total of 92 State Members were sent the questionnaire and 61 (66%) completed and returned it. The research was to determine the information needs of community advisers in relation to the ICAC and how to deal with corruption-related inquiries.

Members of Parliament agreed that they had a significant role to play in helping the public with matters relating to corruption and the majority received corruption related enquiries or requests for assistance. They had a medium to high level of knowledge about the ICAC and were interested in receiving more information about the ICAC predominantly in the form of pamphlets or information kits.

The survey results showed that for MLAs and MLCs ICAC-run seminars were not rated highly with only 10% of MLAs surveyed and no MLCs expressing the view that they would be useful. The methods considered most useful were pamphlets (MLAs 62%, MLCs 32%), information kits (MLAs 55%, MLCs 42%), regular newsletter (MLAs 36%, MLCs 26%) and direct contact number at ICAC (MLAs 62%, MLCs 47%).

In response to this need Parliamentarians were in July sent a letter from the Commissioner, together with a set of the six new corporate brochures and a copy of Operation Hubcap. Further exploration of the best way to meet the needs of Parliamentarians is underway.

The Corruption Matters poster exhibition is presently hanging at Parliament House, an initiative that will also help raise awareness of the ICAC and its educative work with Parliamentarians as well as the broader community.

Further development of the Community Advisers Communication Strategy is underway: specific timeframes have yet to be set. For more detail about this project refer to A3 Public Education Status report.

**21. What, progress, if any, has been achieved in relation to the discussion at our last meeting concerning the protection of individuals subject to vexatious complaints made concurrently to the ICAC and the media?**

No specific additional steps have been taken in relation to vexatious complaints and/or complaints made concurrently to the ICAC and the media. However, the Commission remains vigilant about such matters and believes that in relation to vexatious complaints s81

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of ICAC Act provides sufficient sanction. I note, however, that the previous Committee made recommendations about s81 and a possible role for the Operations Review Committee to advise the ICAC if it felt that action should be taken in relation to a false complaint. I do not believe that such an amendment would be necessary as the ORC can provide advice on such matters and in any event the ICAC would act if it had reason to believe that a false complaint had been made.

**22. What progress, if any, has been achieved in relation to the development of criteria for the analysis of the effectiveness of the ICAC's operations, both in a financial and practical sense, which might assist this Committee in its role of reporting to the parliament on the oversight of the activities of the ICAC?**

Since the last hearing before the Committee in May the Commission has sought to develop an approach to measurement of its performance which would enable the Commission's major stakeholders, including this Committee, to be confident that the Commission is working effectively. Below I outline two significant initiatives which should make it possible to achieve this result. However, I should first say something about the work already done in this area by the Commission.

Over the past two years the Commission has prepared the groundwork which should make organisational performance measurement possible. These steps include:

- . The Completion of the Commission's Corporate Plan for a three year period which is publicly available and has a built-in review mechanism to ensure that the plan remains relevant for the three year term.
- . Internal documents which set out strategic plans for the Commission's four Units and which are reviewed on a quarterly basis.
- . Unit programmes, each of which has performance measures against which evaluation can be made.
- . A performance management program which involves each staff entering into a 12 month performance management agreement with their supervisors. In this area the Commission is one of the few public sector agencies which has put in place such a system.
- . The Commission is currently negotiating its second Enterprise Bargain Agreement with staff. The fundamental purpose of entering into such agreements is to improve performance of the organisation.
- . Guarantees of Service for each area of the Commission.



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- . An evaluation culture which sees all significant projects evaluated objectively, by engaging the expertise of the Research Section.
- . Monitoring of the outcome of investigation reports and corruption prevention projects to follow up on the implementation of recommendations.
- . An extensive audit program conducted by the Auditor General including not only financial management but also adherence to other policies and procedures including the Commission's reporting to its Operation Review Committee. This is in addition to a range of internal checks/audits completed by staff.
- . The involvement of stakeholders in the formulation and development of Commission projects. For example Operation Zack, education curriculum materials and corruption prevention guidelines.

The measures outlined above create a framework in which data is available to measure performance. However, before that can be done it is essential that the Commission reach an understanding with its major stakeholders about the outcomes the Commission's work should achieve. The importance of a focus on outcomes is that it leads to a measurement of achievements against expectation rather than merely a measurement of the level of activity within the organisation. In recent times it has been necessary for me to refer to statistics which really demonstrate how busy the Commission has been in certain areas, for example, in the use of its powers. I have done this to rebut suggestions that the Commission's investigative activity has declined or that it is disinclined to use such powers. However, such statistics ought not be of themselves to be regarded as a measure of effectiveness.

The first of the initiatives I referred to above is to undertake a consultative process to develop performance indicators. It is generally accepted that there are two preliminary steps involved in developing successful performance indicators. First, it is necessary to focus on outcomes in order to reach agreement as to what the outcomes of the organisation's activity should be. Once this has been agreed the second step is to define what success would involve in achieving each of those agreed outcomes. Having defined success it should then be a relatively easy step to develop performance indicators to measure the level of success. It is essential that major stakeholders such as this Committee participate in the process of agreeing on outcomes and defining success. I invite the Committee to consider nominating two or three of its members to participate with a group of the Commission's Senior Management and staff in the development of performance indicators.

At Annexure 4 I have attached for the Committee's information a possible list of outcomes of the Commission's Corruption Prevention & Education program, merely as an example. The list needs to be read from the bottom to the top with the idea that the outcomes progress logically to what is hoped to be the ultimate program outcome.

One of the essential features of taking this approach to the development of indicators is that it should be possible for stakeholders to clearly understand those things which can or should be achieved by the Commission and those things which can only be achieved by public sector agencies, the Government, Parliament and/or the Community.

The second initiative relates to the provision of statements of financial performance to this Committee. Committee members may be aware that Treasury has introduced arrangements whereby Statements of Financial Performance (SFPs) will be implemented for Budget Sector Agencies during 1996-97. The requirement to develop these documents is contained in the Government's June 1995 financial statement, which noted that"

"A Statement of Financial Performance will be signed between each portfolio Minister and the Treasurer. It will set out each Budget Sector Agencies mission, strategic direction, project outputs and outcomes, resources and service quality and performance standards."

It is intended that agencies would provide such statements in the first instance to Treasury. However, ultimately they will be provided to the Treasurer and relevant portfolio Minister for endorsement prior to the commencement of the 1997-98 financial year. As Mr Michael Lamberts Secretary of the Treasury noted in his letter of 24 July 1996 to the Commission it is proposed that the SFPs will "... represent a further significant step in developing a more results focussed approach to budgeting and I look forward to your Agency's involvement in the exercise."

I consider that it would not be appropriate for the Commission as an agency independent of Government to comply with this requirement. However, I believe that the objective is sound, provided the reporting is to the Committee, and may add significantly to the Commission's accountability without compromising its independence. I propose that the Commission would provide an SFP to the Committee, in accordance with the proforma document prepared by Treasury, in April 1997 for the 1997-98 financial year based on the allocation letter received by the Commission in March 1997 advising the results of the Budget Committee's consideration of the 1997-98 budget. A copy of the proforma SFP document is attached at Annexure 5.

**23. Could the Commission provide the Code of Conduct that applies to Commission employees? To whom does it apply?**

A copy of the current code of conduct is attached at Annexure 6. See also Appendix 13 to 1994/95 Report.

**24. How do you counter recent commentary that the ICAC has lost its focus and has moved into "softer" areas of education, corruption prevention and advice giving to the detriment of corruption investigation, its primary focus?**

The ICAC has continued to pursue its investigative focus with vigour, and several projects are presently under way. However, the ICAC Act requires the Commission to focus also on corruption prevention and education, and indeed, in my view, the exposure and minimisation of corruption can only be effectively pursued when all three are used in combination.

The Commission recognises that one of its challenges is to help its stakeholders understand its principal functions as set out in s13 of the Act. Those functions broadly include exposure and prevention of corrupt conduct. The Act does not provide that the primary focus should be investigation. In fact, s1 of s13 sets out the principal functions in paragraphs (a) through to (k). Paragraphs (a) through to (c) could be said to be primarily concerned with investigative activity. However paragraphs (d) through to (k), whilst having some investigative elements, are primarily concerned with corruption prevention and education. The emphasis in those sub-sections is clearly on advising and assisting public authorities in a co-operative way and disseminating information to and enlisting support from the public on matters concerning corruption.

A singular focus on investigation might well uncover more current problems, but "exposure" by itself is no guarantee that future corruption will be prevented. Minimising corruption requires dealing with the future, improving systems and changing cultures. That is why I believe Parliament established the three-pronged focus of the ICAC, with investigation, prevention and education as equal responsibilities. Its role is for the longer term and whilst corruption prevention and education work is not as interesting for the media as public hearings, it is what is recognised world-wide as the most beneficial for the long term. Investigation can inform as well as expose and the ICAC uses its investigative capacities in both ways. Any suggestion of "loss of focus" or "having gone soft" is without foundation, is inconsistent with our current level of investigative activity and could be harmful to the work of the Commission, if persisted in.

**25. What are the major areas of systemic corruption that the ICAC is planning to move in to?**

The Commission would not like to expose its intention in relation to operational matters. Having said that the Commission is aware of this Committee's function under s64(d) of the ICAC Act to examine trends and changes in corrupt conduct, and practices and methods relating to corrupt conduct. The Commission considers that long term challenges for the public sector and for it in dealing with corruption within the public sector will lie in the area of contracting out of core government functions and deregulation. The dual challenge in this

area will be identify corruption risks within the new arrangements and to make recommendations where appropriate to Parliament for changes in laws or systems of work to meet corruption risks. This may include changes to the ICAC Act to accommodate jurisdictional and other questions which might arise as a result of changes in the public sector.

**26. Considering the ICAC's failure in its attempt to investigate and remedy corruption in the NSW Police Service how would you say the ICAC has fulfilled the purposes for which it was established?**

The exposure of corruption within the Police Service by the Royal Commission into the New South Wales Police Service has been very dramatic in some instances. The level of investigative activity and the duration of the hearings has required the establishment of an organisation substantially larger than the ICAC with an annual budget which is more than twice that which the ICAC has had per year to apply to the entire public service. At the close of the Royal Commission it will have operated for close to three years. Despite the extent of its operations and undoubted success in the areas closely examined, the Royal Commission has recommended and the Government has accepted that it is necessary to establish a permanent body, called the Police Integrity Commission, to continue the work of the Royal Commission. Despite the Royal Commission's work the new body is to have a budget for police matters in excess of the ICAC's entire budget. If comparisons are to be made between the ICAC and the Royal Commission and the ongoing work of the PIC then one thing is clear, the ICAC has never been funded to do the type and extent of work which was expected of the Royal Commission and maybe expected of the PIC. The ICAC with its limited budget cannot approach corruption within the public sector with a view to turning over every stone. It must be selective and approach the problem of corruption with a mixture of exposure and prevention strategies.

With respect to the Commission's investigation into the Police Service, Operation Milloo, the Commission accepts that by comparison with the Royal Commission that investigation was not as dramatic as the Royal Commission. The fact is, however, they are not like operations. The Commission never proposed to conduct a Royal Commission type investigation into the Police Service and was not funded to do so nor was it directed by Parliament to do so. Instead the Commission hoped to achieve long term change in the Police Service by combining extensive corruption prevention work in parallel with its investigation which was primarily into the allegations by Arthur Stanley Smith. Within the confines of what was expected from that investigation it was successful. As the Committee is aware, the investigation lead to the closure of the Police Gaming Squad and to the exposure of other corrupt activity. It lead directly to extensive systems reform within the Police Service particularly in the area of recordkeeping and the review of the Police Service's management of major investigations. The Commission continues to review the implementation of the recommendations made in the Milloo report and will in the near future

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produce a report on the status of the implementation of those recommendations, some of which have already been adopted by the Royal Commission.

The ICAC's work to "remedy corruption in the NSW Police Service" has not been limited to Operation Milloo. In 1992 the Commission produced a Corruption Prevention Report on the secondary employment of NSW Police officers which led to the adoption and implementation of a new policy throughout the Service. A number of investigations into the Police Service have been conducted outside of Operation Milloo. Their titles are listed in the Commission's publication list. In my answer to Question 4 I have listed a range of current activities being undertaken with the NSW Police Service. Our Corruption Prevention staff continue to be in demand for police induction training and executive training at the Australian Institute of Police Management. The Commission will continue to use its corruption prevention and education expertise to assist the NSW Police Service in its reforms following the Royal Commission.

To address the question more completely, however, it is necessary to consider the purposes for which the Commission was established. The Commission was not established solely to address corruption within the Police Service or even primarily for that purpose. As the Parliamentary debates at the time demonstrate the Commission was established because of wide spread concern about corruption in the public sector. That concern extended to the political process, the judiciary and public sector agencies including the Police Service. The fact that the Police Service had no special place or priority is clear in the legislation itself which gives it no such special status and from the absence of any referral by Parliament to the Commission for any special priority to be given to work in this area.

As can be seen from the Commission's publication list, a copy of which is attached at Annexure 7, the Commission has striven to spread its resources across the public sector. Its objective is to do work which has relevance to the public sector as a whole.

To date, the investigative work of the Commission has produced some outstanding results, and I am confident that such success will continue. However, it must be borne in mind that Parliament provides finite resources to the Commission each year with which to undertake its work. Accordingly, priorities must be set in order to utilise those scarce resources effectively. Making such choices means that not every area of potential corruption can be investigated at the same time or in any one year.

**27. Considering the proliferation of corruption investigation and prevention bodies and public accountability bodies in the past decade what is the proposed life span for the ICAC as a separate independent body? Is there an argument to suggest it should be merged with the Ombudsman's Office?**

To properly answer this question it is necessary to understand the fundamental difference

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between the role of the ICAC and the role of other bodies such as the Ombudsman's Office. There may be some merit in terms of budget and scale in combining like bodies. In this respect the Commission and the PIC could be said to be like bodies. Both have Royal Commission type functions directed to investigating serious matters involving criminality or corruption. This role must affect the relationship such bodies have with those who deal with them. They are not concerned with the resolution of disputes or the satisfaction of individual grievances. They must keep complainants at arm's length in order to maintain their capacity to satisfy their fact finding role in an objective way. Where matters upon initial investigation appear to be less serious such matters are generally referred to other agencies to deal with.

The Ombudsman's Office on the other hand could be said to deal with a different tier of problem. The role is primarily focussed on the resolution of difficulties raised by individuals. Its relationship with complainants can be much closer and because of the nature of the matters it deals with it can take a more individual approach to the needs of particular complainants who by and large have concerns which, whilst significant to them, would be classified as less serious than the investigative matters which attract the attention of the ICAC and PIC.

A merger with the Office of the Ombudsman would be inappropriate, given the quite different objectives for each under the respective Acts. A merger would mean the loss of focus on corruption in the public sector the very thing the ICAC was established for. Further, more and more overseas and interstate visitors to the ICAC are looking at the ICAC as a possible model for adoption elsewhere. Recently the United Nations has been examining our work with a view to adopting it for another country.

### **28. What have been the main problems caused to the ICAC by the establishment of PIC? What budgetary impact will this have on the ICAC?**

Whilst the ICAC recommended that the function of investigating serious complaints about corruption in the New South Wales Police Service, in an enhanced form, be retained by the ICAC it has never been adamantly opposed to the establishment of a separate body. The Commission recommended in its Milloo report in 1994 that it would be preferable to set up a separate body in order that the Commission's other functions were not swamped. Therefore the Commission itself has no "problem" with the existence of the PIC, however, it accepts that it has suffered in recent times from the perception in the media in particular that the establishment of the PIC was a slight against the ICAC. I have not regarded it as such.

The ICAC's position is that the ICAC properly funded would be able to undertake the new role proposed for the PIC. What needs to be made clear is that prior to the establishment of the PIC no agency in New South Wales had the special funding or particular statutory responsibility to undertake the work proposed for it.

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As to budgetary impact, the Commission's expectation is that the existence of the PIC will have no budgetary impact on its operations. That is borne out by the experience of the year 1995-96.

The Police Royal Commission and the new PIC clearly demonstrate the level of funding required to conduct such intensive investigative activity and as such any reduction in the ICAC budget would be inappropriate and counterproductive. If the Commission is to conduct investigative work in respect of the public sector its budget will need to be increased over time.

**29. Will the Commissioner provide a copy of his pecuniary interests register to the Committee?**

The Commission maintains a gift register under which staff are required to declare any gift they receive in the course of their duties. I referred to that when I last gave evidence before the Committee. A copy of the gifts register will be made available for inspection by Committee members at the hearing.

I do not maintain a pecuniary interest register at the Commission. Like all Commission staff, however, if a potential conflict of interest arises in respect of any matter I am to deal with in the course of my duties as Commissioner of the ICAC I declare that potential conflict, discuss the situation with Senior Management and act appropriately.

**30. Do you consider that your public criticism of Mr David Landa and Mr Justice Wood damages the credibility of the ICAC?**

I am unaware of having done so and therefore I am not clear what the question is referring to. Any comments I have made about Mr Landa or Commissioner Justice Wood have been generally in response to reported comments by them. In one case, in the context of an investigation the Commission expressed its critical view on a report prepared by Mr Landa. That view was not expressed to the media or in any public forum. The views expressed were well founded and were part and parcel of the performance by the ICAC of its proper functions. As such I can not see how such comments could be said to damage the credibility of the ICAC.

Regrettably, Mr Landa sought to attribute other motives to these views. He was incorrect and I do not consider that his response damaged the credibility of the Commission.

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**31. What is your response to the recent meeting of State and Territory leaders which resolved to review the operations of State bodies such as ICAC and the CJC, and the NCA at the national level?**

The Commission understands that there was no formal resolution at that meeting to take any specific action by way of reviewing the operation of State bodies. The Commission is aware that concern was expressed by certain Premiers at the meeting of State and Territory leaders about the role of investigative bodies.

The Commission also notes that following the press reports about the meeting of State and Territory leaders the Premier of New South Wales made the following comment on ABC Radio (2BL) on 30 September 1996:

"There was concern among the Premiers at a tendency to use these powerful standing Royal Commissions and I think in New South Wales we can allay those concerns by using the Parliamentary Committee to oversight ICAC's operations."

**SEMPLE INVESTIGATION**

**32. What is the cost of the Semple investigation?**

To date the cost of the Semple investigation to the ICAC has been \$470,000. This includes internal salary costs, transcript fees, legal fees, witness expenses and other minor expenses. As the report has not been finalised this amount does not include any report costs. Of the total sum, counsel expenses amounted to \$270,000.

**33. What is the cost effectiveness of this investigation?**

The answer depends on the value to be put on probity in the public sector. It would be inappropriate prior to the publication of the report for me to discuss the subject matter of the investigation at any length, however, the investigation hearings were held in public and therefore the evidence is a matter of public record. The investigation clearly dealt with issues of utmost significance to all public servants in New South Wales as the investigation was concerned with the integrity of the system assessing the value of the most senior public sector positions by a body which should give leadership to the public sector in relation to probity, transparency and adherence to proper process. The system under scrutiny is used for all SES positions.



**34. How did the Semple matter come to the attention of the ICAC?**

The "Semple" matter came to the attention of the Commission by way of a report pursuant to s11 of the ICAC Act.

**35. Is the Semple investigation a sign of the ICAC moving from being a major corruption investigation body to a political watchdog?**

No. The Commission has a broad jurisdiction to investigate matters which in its opinion may involve corrupt conduct. From time to time it is likely that such investigations will touch on the political process.

**36. What are the negatives for the ICAC in undertaking an investigation such as the Semple matter?**

The Semple matter is a good example of an investigation which arises at short notice and requires the allocation of substantial resources. Such matters are hard to predict in any strategic planning process and therefore can place strains on resources depending on what time in the financial year they arise. However, the Commission's capacity to respond to such matters at such short notice is an essential part of the Commission's role.

There is always the danger with matters such as Semple, which touch the political process, that the issues will be politicised although if this happened at all in the Semple matter it was not to the detriment of the investigation. Where matters are politicised there is the prospect emotions will be aroused and partisanship promoted. This might have some affect on the Commission's standing in the eyes of some politicians, however, as far as the community is concerned I do not believe it adversely affects the Commission. Indeed as the Premier remarked after having given evidence in the matter, the ICAC is an important accountability mechanism for the State of New South Wales. In any event, the Commission must accept that in making decisions in the public interest about which matters to investigate it may upset some people.

**OPERATION ZACK**

**37. At what stage is Operation Zack?**

As previously mentioned Operation Zack was a result of a high incidence of complaints received alleging fraud and other corrupt conduct in the Aboriginal Land Council system. The operation's objectives are to identify and expose corrupt practices and system inadequacies that could allow, cause or encourage corrupt conduct in Aboriginal Land

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Councils at State, regional and local levels and having done so, recommend practical changes that meet the needs of Aborigines and appropriate regulatory agencies as well as accountability requirements.

After extensive consultations with Aboriginal people and other interested government and non-government organisations, the Operation Zack team and a reference group of Aboriginal people are now in the process of finalising a comprehensive discussion paper on issues of corruption in the Aboriginal land council system.

Next February, coinciding with the release of the discussion paper, Commission officers will be visiting every Aboriginal land council region in New South Wales and convening conferences. The purpose of these conferences will be for Aboriginal people to workshop strategies for protecting their land council system from corruption. The outcomes of these conferences will largely inform and drive the reform agenda which will be recommended and/or undertaken by the Councils with the support of the ICAC.

We are involved in a joint exercise with the New South Wales Aboriginal Land Council and the New South Wales Police Service to develop a package of training materials for council members and staff. The objective is to empower Aboriginal people within the land council system to protect the system from fraud and corruption.

A number of specific incidents of suspected corruption are currently the subject of private hearings at which I am presiding. When those matters have been explored fully, I will give consideration as to whether any matters should be the subject of public hearings or referred to other authorities for action.

**38. What is the budget for the operation? How much of that has been expended?**

A project plan was developed which divided the operation into five stages and identified the need for a multi-disciplined team combining the use of the Commission's investigative, legal, corruption prevention, education, research and technical resources over a twenty month period throughout the various stages of the operation. The initial costing of these combined resources was estimated at approximately \$2.1 million dollars. The Commission has spent \$812,000 on Operation Zack to 30 September 1996 which is in line with the initial budget estimates.

**39. Have ICAC staff resigned over the manner in which Operation Zack has been carried out?**

Four members of staff who were on the Zack matter left the Commission. One expressly left on the basis that he disagreed with certain aspects of the plan for the operation. Another

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left to take up a position in Canberra. A third officer came to the end of the period of secondment, extended it for a period and then returned to the seconding agency for professional and family reasons. The fourth returned to the seconding agency to a position of higher duties.

I was actively and personally involved in considering suggestions made about improving some aspects of the approach to the project. Some of these suggestions were already being considered. Some were adopted. The morale of the team involved on Operation Zack is excellent and work is proceeding well.

**40. Is it fair to say that the ICAC has lost confidence of those parties who sought the intervention of the ICAC in investigating Land Councils?**

No it is not. The ICAC commenced this exercise on its own initiative after strategic consideration of the complaints it received since commencing operations in 1989. Considerable resources have been directed to consulting with Aboriginal people about this exercise, more, I might say, than any previous attempt to deal with land council matters. Commission officers and I have visited some 20 Aboriginal communities in New South Wales and support for the work of the ICAC is almost universal.

Since commencing Operation Zack, complaints about the Aboriginal Land Council have doubled (about 90 s10 complaints at the start of the project to about 180 now). This would indicate Aboriginal people continue to want this Commission to be involved.

The ICAC and the New South Wales Aboriginal Land Council have a very close and harmonious working relationship. In fact an employee of the New South Wales Aboriginal Land Council has been seconded to the ICAC to work on the Project. The Reference Group I mentioned earlier has been assisting with the development of the discussion paper, and has amongst its members the most senior officers of the New South Wales Aboriginal Land Council and the Department of Aboriginal Affairs. What's more, the Department of Aboriginal Affairs is considering using the ICAC's approach to consulting with Aboriginal people as a model for its review of the Aboriginal Land Rights Act.

I think members of all Aboriginal Land Councils can have complete confidence in the ICAC when their own people are involved at the most fundamental levels of project planning, execution and review. My own experience when visiting the various Aboriginal communities is of positive response, good rapport and a desire to assist.

There is a real sense among Operation Zack team members (both Aboriginal and non-Aboriginal) that what they are doing will have long term benefits for Aboriginal people. My aim is to equip the ICAC in such a fashion that it can provide a useful corruption prevention

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service to Aboriginal people, and has involved Aboriginal people giving us a great deal of assistance. The willingness of Aboriginal people to provide the ICAC with that assistance is a strong indication of their confidence in the organisation and the process.

### **41. Is the investigation in danger of falling apart?**

No. See above. The exercise is proceeding to plan and within budget.

### **42. Considering the sensitivity of this subject have you considered how to lessen the impact of any negative finding from Operation Zack in providing the Federal Government with justification for their attacks on ATSIC, Land Councils and the Aboriginal people of Australia?**

My answer to Question 37 indicates the positive approach which the Commission has taken to Operation Zack. While the Commission will identify corrupt practices where they have occurred, the principal aim of the project is to recommend practical change that meet the needs of Aboriginal people and the requirements of the law for appropriate accountability as outlined in the Aboriginal Land Rights Act 1983. The consultation process with Aboriginal people has been extensive and is aimed at informing and therefore building their support for the recommendations to be made in the final ICAC report.

While the ICAC timetable cannot be dictated by events in Canberra or elsewhere, the Commission is mindful of ensuring that the discussion over reform to systems here in NSW is not clouded or misinterpreted by other events in the Commonwealth arena and the timetable has regard to this.

The timing of the release of the discussion paper and the consultation process to follow will be planned with the aim of maximising its effectiveness and ensuring a positive reaction in Aboriginal communities.

## **MORGUE INVESTIGATION**

### **43. Why was the investigation in Sydney Morgue commenced?**

Because the Commission determined that it was in the public interest to do so after conducting preliminary inquiries.

**44. Why only Sydney Morgue and not other Morgues in NSW?**

As the report in this matter has not yet been made public it would not be appropriate to answer this question in any detail. However, I can outline the Commission's general approach.

The Commission's aim is to improve the probity and integrity of the public sector. To achieve this it is not necessary or indeed possible to expose all corruption wherever it may be occurring. Rather, the Commission seeks by exposing particular corrupt conduct to alert people to its existence in the agency under scrutiny and to the prospect of like conduct in like agencies or situations. This should then be a step in stopping it occurring and ensuring that systems and methods of work are changed in order to prevent it occurring in the future. Having identified a particular systems weakness it is then for the public sector organisation to address that problem. In this way the Commission can spread its limited investigative resources more broadly across the public sector and get maximum from its limited budget.

The Commission's Corruption Prevention staff have been and will continue to work in cooperation with the Sydney Morgue and Central Sydney Area Health Service (which incorporates Sydney Morgue) to provide input and assistance into the review of the systems, policies and practices at Sydney Morgue and to educate staff on the ethical standards expected of them as public officials. There will also be further liaison between the Commission and the central policy unit of the Department of Health to ensure that the corruption prevention work undertaken with the Sydney Morgue will be considered in relation to morgues across New South Wales.

**45. Why were there covert techniques used in this investigation?**

Because the Commission considered it appropriate to do so in the circumstances of this investigation. It is often the case that targets will not make admissions unless confronted with evidence of wrongdoing and this was demonstrated in this investigation.

However, covert techniques were not the only investigative methods used. A range of investigative techniques was used.

**46. What was the cost of the investigation?**

To date the cost of the Morgue investigation to the ICAC has been \$306,000. This includes internal salary costs, transcript fees, legal fees, witness expenses and other minor expenses. As the report has not been finalised this amount does not include any report costs. The Legal counsel expenses amounted to \$123,000.

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### **47. What is the cost effectiveness of the investigation?**

Ultimately that is a matter to be judged by Parliament when it has the opportunity to consider the report.

No direct savings were made for the government, but this is not the point. First, almost all of the staff were interfering with bodies and property that, in some cases, could have been vital coronial evidence.

Secondly, the conduct was systematic and part of a culture that went back for many decades. It was of considerable concern to honest members of the staff who were reluctant to report the behaviour because of the prevailing culture.

Thirdly, kick-back to undertakers etc are a continuing source of complaint. Such enquiries are difficult to substantiate. In this matter, both the police and the Ombudsman's office had investigated similar allegations at this mortuary without success. The "roll-over" of the staff member to a Commission investigator provided an opportunity that would have been foolish to ignore.

Finally, and very importantly, the people of New South Wales regard interfering with, in a sense desecrating the dead as seriously wrong. Steps taken to discourage it are therefore appropriate.

As stated above, while the monetary values involved were not necessarily high, the corrupt conduct extended back many years to the extent that it had become part of the culture amongst the mortuary attendants. Tampering with potential coronial evidence was also of concern.

### **48. What level and value of corruption was discovered?**

In the Commission's opinion it is not appropriate to talk about corruption in terms of "level and value". Rather the Commission looks at whether corruption is significant or not. For example, if one public servant breaches his duty of honesty and fidelity to his employer by stealing a large sum of cash, say \$200,000, from a public sector agency then this might popularly be considered to be corruption of a high "level and value". Nevertheless, it may be of little significance to the public sector at large. That is, it may not involve any failing in the systems but rather a single dishonest act by one individual which could not have been prevented whatever the system in place. On the other hand, widespread corruption within a public agency involving many of its officers, albeit involving small sums of money, is a significant matter. It undermines public confidence in the system and is destructive of the pride and morale of honest public officials.

**49. What other means could have been employed?**

Presumably this question is directed at what other investigative means could have been employed. The Commission employed a range of investigative techniques in this matter and believes that they were appropriate and effective.

**50. Is the Morgue investigation a valid example of the criticism of the ICAC that its focus in seeking out corruption has moved from the "Mega to the Mundane"?**

No. It would have been unacceptable for the Commission to ignore such widespread corrupt practices. Furthermore the conduct examined at the Morgue demonstrates how corruption can pervade all sectors of public administration.

Expressions such as "Mega to the Mundane" may be appropriate to a headline, since the media like catchy provocative phrases, but they are unhelpful in the area of assessing the public interest.

**COMMISSION STAFF**

**51. What is the policy of the Commission regarding the appointment of people to the Commission who have current political affiliations?**

The policy of the Commission is to select the best available people to fill positions. People who have current political affiliations may be employed by the Commission, as they may by the public sector generally. The pre-employment vetting process identifies such affiliations. Once employed, the ICAC Code of Conduct places an obligation upon Commission officers to disclose potential conflicts of interest, so that an informed decision can be made about what action, if any, needs to be taken. If a political affiliation were to create such a conflict it would be dealt with in accordance with the protocols of the Commission.

**52. Do you consider it appropriate that Assessment Officers who belong to political parties or have stood for preselection for State Parliament, Federal Parliament or for Local Council be appointed Assessment officers?**

I do not understand why the emphasis in the question is given only to Assessment Officers. The role of Assessment Officer is no more or less significant than the role of other officers within the Commission and therefore it is no more or less appropriate for them to belong to political parties or to stand for pre-selection for public office. As noted above the Commission requires of its staff that they disclose potential conflicts of interest.

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One officer of the Commission was formerly a member of the Premier's staff, when the Premier was Leader of the Opposition. Another officer has served on the staff of a Minister. Yet another officer of the Commission did stand unsuccessfully for preselection. I have the strongest confidence in the integrity of each of those officers.

**53. Do employees who have political affiliations disclose those political affiliations to the ICAC and if so, what is the method of disclosure and what record is kept of those political affiliations?**

As indicated in an earlier answer, political affiliations are usually established during the pre-employment vetting process. Employees are asked to identify political or community involvement at that time, and a record is kept by the Commission's Security Section.

Under the Code of Conduct, Commission officers must disclose any potential conflicts of interest that arise. See above.

#### **LISTENING AND OTHER COVERT DEVICES**

**54. What were the number of warrants issued for listening devices in 1992, 1993, 1994, 1995 and 1996?**

On a calendar year basis the following number of warrants were issued:

1992	20
1993	20
1994	2
1995	17
1996 (to date)	40

**55. Has there been an increase in warrants issued for permission to use listening device, and if so, why?**

As the table above shows with the exception of 1994 the use of listening devices was relatively constant during the period 1992 to 1995. There has been a significant increase in the use of listening devices this year. Whilst to some extent the opportunity to use listening devices is dependent upon the nature of the matters being investigated, the increase in use



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of such devices is consistent with and a consequence largely of my determination to use whatever available investigative methods are lawful and necessary to expose corruption.

### **56. What are the methods used to issue such warrants?**

A warrant authorising the use of a listening device is granted pursuant to the provisions of the Listening Devices Act 1984. This Act provides that such a warrant can only be granted by the Supreme Court of New South Wales.

Section 19(2) of the ICAC Act provides that an officer of the Commission may seek the issue of a warrant under the Listening Devices Act. As the Listening Devices Act relates directly to the right to privacy of the individual, the highest standards of confidentiality and accountability are maintained by the Commission. Accordingly, ICAC staff, in making an application for a warrant, are guided by an internal policy and procedure document, which requires all applications prepared by the Investigation Team to be settled by the Team Lawyer and to be approved by the Solicitor to the Commission or, in his absence, by a Principal Lawyer.

It is an offence under the Listening Devices Act to use a listening device to record or listen to a private conversation otherwise than as authorised by that Act. Section 5 of the Listening Devices Act generally prohibits the use of a listening device except, amongst other things, in circumstances where a warrant has been granted to a person under the provisions of Part 4 of that Act.

Under Part 4 of the Listening Devices Act there are two methods by which the grant of a warrant may be sought:

- (i) upon application to the Supreme Court in person pursuant to section 16 of the Listening Devices Act, and which in practice requires the applicant to put evidence in support of the application before a Supreme Court judge in affidavit form. A warrant granted by this method can be in force for a statutory maximum period of 21 days. Further, prior to the grant of a warrant under section 16, the applicant is obliged, pursuant to section 17 of the Listening Devices Act, to serve on the Attorney General certain particulars relating to the proposed application, and the Attorney General has, under the Act, an opportunity to be heard in relation to the granting of the warrant.
- (ii) in urgent circumstances, upon application to the Supreme Court by telephone pursuant to section 18 of the Listening Devices Act. The Act imposes no obligation to notify the Attorney General of a proposed application of this type, however a warrant granted by this method can be in force only for a statutory maximum period of 24 hours.

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In relation to warrants granted by either of the methods referred to above, section 19 of the Listening Devices Act requires the Court to specify in the warrant, a time within which the person to whom the warrant is granted must report to the Court and to the Attorney General as to whether or not the listening device was used pursuant to the warrant. This is an important accountability mechanism in the Act, and, if the listening device was so used, the report must state:

- (i) the name, if known, of any person whose private conversation was recorded or listened to by the use of the device;
- (ii) the period during which the device was used;
- (iii) particulars of any premises on which the device was installed or any place at which the device was used;
- (iv) particulars of the general use made or to be made of any evidence or information obtained by the use of the device; and
- (v) particulars of any previous use of a listening device in connection with the prescribed offence in respect of which the warrant was granted.

**57. Who supplies the listening devices and what types are these?**

This is an operational matter, and I do not wish to forewarn those who might be involved in corrupt activities th nature of the resources the Commission has at its disposal.

**58. What is the evidence required to substantiate a prima facie case of the need for a listening device?**

Pursuant to s16(1) of the Listening Devices Act, the applicant must satisfy the Court that they have reasonable grounds for suspecting or believing that:

- (a) a prescribed offence has been, is about to be, or is likely to be committed; (a prescribed offence includes an indictable offence, or an offence of a class or description prescribed for the purpose of part 4 of the Act); and
- (b) for the purpose of an investigation into that offence or of enabling evidence to be obtained of the commission of the offence or the identity of the offender, the use of a listening device is necessary.

Section 16(2) of the Listening Devices Act 1984 provides certain considerations for the court in making its decision:

- (a) the nature of the prescribed offence;

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- (b) the extent to which the privacy of any person is likely to be affected;
- (c) alternative means of obtaining the evidence or information sought to be obtained;
- (d) the evidentiary value of any evidence sought to be obtained; and
- (e) any previous warrant sought or granted under the Act in connection with the same prescribed offence.

Section 21(1) of the Listening Devices Act provides that proceedings are heard in the absence of the public. In practice this means that they are conducted in chambers. The Team Lawyer and the officer who swore the affidavit may be present during this hearing. The Attorney General is notified of all applications and may also elect to be heard in relation to the granting of the warrant.

**59. If information gathered is not used, is the surveillance information destroyed, or does it go into the archives to be used for other inquiries?**

Section 22(2) of the Listening Devices Act applies to the destruction of irrelevant records made by the use of a listening device:

"A person shall, as soon as practicable after it has been made, cause to be destroyed so much of any record, whether in writing or otherwise, of any evidence or information obtained by the person by the use of a listening device to which this section applies as does not relate directly or indirectly to the commission of a prescribed offence within the meaning of Part 4".

The ICAC policy reiterates this section of the Act. That policy is adhered to.

**PUBLIC INQUIRIES**

**60. Do you believe that the adversarial system in public inquiries is an essential part of the weaponry of the ICAC? If so, why and if not, why not?**

The Commission does not have an adversarial system in its public inquiries. Hearings are held for the purpose of the Commission's investigations and whilst people may, as contemplated by the ICAC Act, be given leave to be represented during the course of a hearing they are not parties in the sense of adversarial litigation. Individuals who are given leave to appear and be represented have limited rights to cross-examine witnesses and at times such cross-examination will advance the investigation by revealing matters not

previously known to the Commission. The time at which such cross-examination is permitted is controlled by the presiding Commissioner.

Therefore, whilst the ICAC does not operate under an adversarial system, witnesses will from time to time experience what might be called "adversarial treatment". The Committee on the ICAC noted in its February 1991 Second Report on its Inquiry Into Commission Procedures and the Rights of Witnesses that:

"... the ICAC must ensure that all evidence it receives is carefully tested and witnesses at hearings will therefore sometimes be subject to rigorous cross-examination. Furthermore, the issues at stake are such that adversarial positions and tactics are almost inevitable. For these reasons "adversarial treatment" is likely to be something to which witnesses will from time to time be subjected at ICAC hearings."

**61. Is the Public Inquiry system the most appropriate way of getting at the truth?**

The public hearing system has many advantages and some disadvantages. In terms of the Commission's principal functions it assists the Commission to expose corrupt conduct and it also has an educative role. When hearings are held in public the level of information reported to the Commission often increases. This is because people who have information touching on the investigation, or on other matters, are often prompted by the public hearings to report matters to the Commission.

The public hearing process can also have the beneficial effect of increasing the public's confidence in the integrity of the investigation and its outcome.

It is well recognised that the public hearing process can have detrimental effects on reputations. Steps can be and are taken to try and minimise unnecessary or unwarranted detrimental effects, however, the risk remains.

As the Committee on the ICAC noted in its November 1990 First Report on its Inquiry into Commission Procedures and the Rights of Witnesses:

"The arguments in favour of public hearings are formidable. Exposure is a key weapon in the fight against the secret crime and corruption. Furthermore, public hearings ensure the ICAC is publicly accountable – the way it exercises its special powers is open to public scrutiny and the public can inform itself of the Commission's activities. This public has a right to know what the Commission, which was established to protect the public interest, is doing."

**62. It is the understanding of Committee Members that after evidence is given in-camera to the ICAC, the same questions are asked again during the public hearing. Is this technique necessary and fair to the witness, and what is the value of repeating questions in public hearings?**

**and**

**63. Is this technique used to discredit the evidence given in-camera, or to check prior inconsistent statements?**

The questions asked in private hearing will not necessarily be asked again during public hearing, indeed this is not the usual course currently adopted. The approach taken will depend on the needs of the investigation. For example if a person has given evidence in private hearing in the absence of any other witnesses the Commission may proceed by making the private hearing transcript available to persons who have been given leave to appear at the Commission in order for them to be able to cross-examine the witness who has previously given evidence in private hearing. This can lead to some questions being repeated, more often in cross-examination.

Ordinarily the Commission will not ask the same questions again in public hearing unless operational considerations, such as witness protection, demand that the fact of the earlier private hearing remain confidential for some period of time. For example if a person has been assisting the Commission by giving evidence in private hearing that person may be at risk if that fact becomes known. In such cases it may be wise to proceed in public hearing as if the person is giving evidence for the first time. In such cases it could not be said that the procedure was unnecessary or unfair to the witness.

In the case first outlined, where a witness is simply being cross-examined in public hearing on evidence given in private hearing, it will be a matter for the presiding Commissioner to determine whether such questioning would be unnecessary or unfair to the witness. However, such an approach is commonly used in criminal trials in respect of questions previously asked during committal hearings and can be a very effective way of testing the honesty and/or the memory of the witness. It is not uncommon that a witness will give conflicting answers on different occasions to the same question. Such responses can substantially advance the Commission's goal of getting to the truth and assessing credibility.

**64. What is the average length of a public inquiry?**

The Commission has had 36 public hearings involving 816 hearing days to 22 October 1996. Therefore the average length of the Commission's public hearings is 22.7 days.

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**65. Why did the Metherell Inquiry only take 11 days and the Semple Inquiry 46 days?**

The Metherell inquiry involved six witnesses over 11 days and the Semple inquiry involved 29 witnesses of 46 days. One was longer than the other because they were very different investigations involving different considerations and different witnesses.

The report on the Semple matter will address specific issues which relate to the length of the investigation.

**66. It is the Committee's understanding that the process used by the ICAC is as follows:-**

- (a) the witness is interviewed
- (b) evidence is given in-camera
- (c) a public hearing is then conducted

**If this is the system the ICAC uses, do you believe it is fair that you should have three levels of interrogation of witnesses?**

The Commission's investigative process does not necessarily or usually involve the three steps outlined in the question. At times witnesses will be brought directly into a hearing whether public or private, depending on the needs of the investigation. Where possible the Commission prefers to interview witnesses prior to bringing them into hearings. This is not always possible. People who are targets of investigations, not surprisingly, sometimes are unwilling to be interviewed.

Whether a witness has been interviewed or not the Commission prefers to conduct its early investigative work in private. This helps to protect the integrity of the investigation, can avoid unnecessarily damaging reputations when allegations prove to be unfounded and assists the Commission to determine whether costly public hearings are warranted. The Commission certainly believes that this approach is in the public interest.

To the extent that the approach could be considered fair or unfair the Commission considers that in most cases it will operate to the advantage of those who assist the Commission and give truthful evidence. There is no doubt that should a person be prepared to lie to the Commission then a two, or in some cases three, step approach can be more likely to expose the fact that that person has lied. Identifying such lies is critical to the investigative process and furthers the public interest in exposing corrupt conduct. The decision as to the appropriate course to take involves an exercise of judgment in the light of all the circumstances.

**67. Why is there a need for a Counsel Assisting, when the Commissioner asks many questions during inquiries? Do you believe it is fair or necessary that the Commissioner and the Counsel Assisting both have the right to ask questions in addition to other Counsel or Solicitors?**

The function of Counsel Assisting is to assist the Commissioner during the inquiry. It is his or her function first to call and then examine the witnesses before the Commissioner. Counsel Assisting has the responsibility of discovering, assembling and presenting the evidence to the Commissioner. It is Counsel Assisting's task via his or her questioning to ensure that the investigation elicits the relevant facts.

The Commissioner has the responsibility to ultimately make a determination on the facts and make findings on the evidence before him. In order to fulfil his duty the Commissioner may ask questions which elicit facts which have not been elicited by Counsel Assisting. It is fair and necessary that the Commissioner and Counsel Assisting both have the right to ask questions of a witness in order to elicit all relevant facts in order to thoroughly investigate the matter. The ultimate goal is uncovering the truth.

Counsel and Solicitors appearing before the Commissioner do so with the Commissioner's leave and they have the right to ask certain questions subject to the leave of the Commissioner. The Commissioner can withdraw that leave should he consider questions asked by Counsel or Solicitors to be inappropriate.

#### **INTERNATIONAL ANTI-CORRUPTION CONFERENCES**

**68. What is the value to the Commission in attending International Anti-Corruption Conferences?**

There is a value to the ICAC, to the State of New South Wales and to other agencies in other Countries. In October 1995, the Commissioner and two staff attended the 7th International Anti-Corruption Conference held in Beijing, along with approximately 650 other delegates, representing 77 countries. The Conference is held every two years and is the major international conference on corruption. The New South Wales ICAC is recognised internationally as a leading organisation in investigating and preventing corruption. In recognition, the Commissioner and a staff representative were selected to present papers at the conference which provided an opportunity for the Commission to inform the international community about its work. The standing of the Commission was undoubtedly enhanced and the determination of our State to eliminate corruption was made clear. This is advantageous for those who may be considering investment in New South Wales.

The New South Wales ICAC representatives were highly sought after by delegates from other countries due to their expertise in this area and strong interest was shown in the corruption

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prevention and research publications of the New South Wales ICAC. Several delegates contacted the staff representatives on their return to Australia to request copies of various publications.

The conference also provided an opportunity for the New South Wales ICAC to establish and develop networks with other international organisations with a view to exchanging and accessing resources and ideas. Networking proved to be particularly useful with delegates from other countries who are dealing with corruption issues similar to those in Australia, including Canada, United States, Hong Kong, New Zealand, Britain and other European countries.

Enroute to the Conference in Beijing, the Commissioner presented the keynote address to IACOLE in Vancouver and the staff representatives took the opportunity to visit the Hong Kong ICAC as did I, in the course of my return journey. The visit provided an opportunity for an extensive exchange of information, ideas and resources. It also provided a comparison between the Hong Kong and New South Wales ICAC's on how the two organisations operate and the different approaches and methods used. On return to New South Wales, staff prepared reports detailing their observations and recommending strategies used by the Hong Kong ICAC which could be adapted and implemented by the New South Wales ICAC.

**69. The Chinese Attorney General representative, Mr Lin, has approached the Chairman of this Committee with a request to join an Asian-Australasian South Pacific Rim Anti-Corruption group which is proposing to meet every two years. Do you think there will be value in bi-annual Anti Corruption Conferences in this geographical area?**

**and**

**70. Do you think it is of value to have an Australasian, Australian and New Zealand Conference of Law Enforcement Agencies, Anti Corruption bodies and other interested persons, on an annual basis?**

I am aware of initiatives to establish regional anti-corruption groups. The Hong Kong ICAC is currently seeking opinions on a proposal to establish a Regional Anti-Corruption Secretariat.

This Commission's experience in international and regional activities and with international visitors suggests that the NSW ICAC can contribute significantly to efforts in other countries to establish or improve investigation, prevention and education activities related to corruption. The costs of such contributions must be weighed carefully against the diminishing resources available to this Commission. On present resource levels I have reservations as to the extent to which the Commission would be able to shoulder additional burdens arising from regional activities.



## **NATIONAL PARKS AND WILDLIFE SERVICE**

**71. A Mr Raymond Hoser has recently released a book containing serious allegations of corrupt conduct within the New South Wales NPWS. Have these allegations been brought to your attention, and does the Commission intend to investigate?**

Mr Hoser's allegations were brought to the attention of the Commission, principally in 1992 and 1993.

The decision whether to investigate such allegations is an operational matter, and accordingly is not one I propose to discuss.

## **LOCAL GOVERNMENT**

**72. Some Local Councils are using outside contract Town Planners who are not employees of the council to deal with the overload of work by the council. The method is that the developer pays the council a contract fee. The council Town Planner and General Manager select an individual outside the Town Planning Department to do a particular assessment on a Development and Building Application. Some Local Councils and Town Planners are saying this is corrupt conduct and the ICAC have said should not be done. Does the ICAC see any problem with the Local Council employing an individual contract Town Planner to assess a particular Development and Building Application. If so, why?**

The Commission does not object to councils employing outside contractors to assess Building and Development Applications. Specific advice has been provided advising organisations how to develop policies in this area to ensure corruption does not occur in the process. The Commission recommends that:

- . All matters must be assessed impartially against consistent criteria. There cannot be, or be seen to be, any unfair advantage in having applications assessed by a contract Town Planner.
- . All personal interests related to the matter being assessed must be declared. Where conflicts of interest exist, the matter cannot be handled by the person with the interest.
- . Contract Planners should not assess Applications from developers for whom they have worked in the recent past. Two or three years is recommended as a reasonable time.
- . Contract Planners should be excluded from performing work for a developer on any

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project in which they have performed an assessment. Consideration should also be given to excluding contract Planners from working for a contractor, for whom an assessment has been performed, for a specified period.

- Matters not assessed by contract Planners must continue to be performed within a reasonable time.



NOVEMBER 1996 PIC HEARINGUPDATE OF PROSECUTIONS SINCE MAY 1996OPERATION 2 (BARRACUDA)  
REPORT ON NORTH COAST LAND DEVELOPMENT

Name	Nature of Offences Recommended	Date of Action	Result
Cassell, Barry John	s.87 ICAC Act (false or misleading evidence)	24/07/96	Stated case was forwarded to the Court of Criminal Appeal which decided that Downes DCJ, who was hearing an all grounds appeal, erred in finding the informations defective. The matter is to be relisted in the District Court
Hogan, Thomas Edward Paul	bribery and conspiracy to bribe	11/09/96	In relation to the conspiracy to bribe offence - found not guilty by the jury.
		9/10/96	In relation to the three bribery offences - stood over to set trial date on 12/12/96.
Munro, Roger Gareth	bribery	9/10/96	In relation to the bribery offences - stood over to set trial date on 12/12/96.

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

Name	Nature of Offences Recommended	Date of Action	Result
Bracey, John Everett	conspiracy to bribe	04/0/96	Matter dismissed.
De Zilwa, Alston	conspiracy to bribe	13/06/96	Placed on s.558A recognisance in the sum of \$10,000 to be of good behaviour for a period of 5 years. Fined \$20,000.
Devine, Janet Edith	s.87 ICAC Act (false or misleading evidence)	16/05/96	Committal part heard. Hearing set down for 18/09/96.

<b>Name</b>	<b>Nature of Offences Recommended</b>	<b>Date of Action</b>	<b>Result</b>
Devine, Paul (Francis)	s.87 ICAC Act (false or misleading evidence) and conspiracy to bribe	16/05/96	Committal part heard. Hearing set down for 11/09/96.
Elliot, Phillip Michael	s.249B Crimes Act (conspiracy - corrupt commissions)	27/09/96	Sentenced to 100 hours community service and fined \$200. Ordered to pay \$1,900, being confiscation of proceeds of crime.
Frankland, Stephen	s.249B Crimes Act (conspiracy -corrupt commissions)	13/05/96	Committed to 3 years periodic detention on each of the 47 counts, to be served concurrently. Fined \$7,610.
Mailey, Richard	s.87 ICAC Act (false or misleading evidence) and conspiracy to bribe	17/10/96	Found not guilty.
O'Connell, Michael	s.87 ICAC Act (false and misleading evidence) and conspiracy to bribe	29/08/96	Sentenced to 6 months imprisonment on each of the seven s.87 offences, to be served concurrently. In relation to the 2 conspiracy offences the defendant was sentenced to a total of two years, with a minimum term of imprisonment to be served of 9 months, to be served concurrently. A pecuniary penalty order in the sum of \$12,655 was made pursuant to the confiscation of proceeds of Crime Act 1989.
Scott, John	s.87 ICAC Act (false or misleading evidence)	29/08/96	Sentenced and placed on a recognisance in the sum of \$5,000 to be of good behaviour for a period of 3 years and given 400 hours community service.
Waddell, James McBeth	s.309 Crimes Act (unlawful access to data in computer) and s.87 ICAC Act (false or misleading evidence)	04/04/96	Set down for trial on 28/10/96.
Wilson, Eric Sydney	s.87 ICAC Act (false or misleading evidence) and conspiracy to bribe.	11/09/96	Hearing part heard.

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

<b>Name</b>	<b>Nature of Offences Recommended</b>	<b>Date of Action</b>	<b>Result</b>
Bowen, Grahame Peter	s.87 ICAC Act (false or misleading evidence)	3/10/96	Listed for trial on 8 September 1997.
Daly, Ronald	s.393 Crimes Act (conspiracy - to pervert the course of justice) and s.87 ICAC Act (false or misleading statements)	11/04/96	Listed for trial on 25 August 1997.
Harding, Brian Robert	s.87 ICAC Act (false or misleading evidence) and s.330 Crimes Act (false swearing) in the alternative	3/10/96	Listed for trial on 8 September 1997.

**OPERATION 45 (BANKSIA)**  
**REPORT ON CONDUCT OF SRA OFFICERS IN GRAFTON AREA**

<b>Name</b>	<b>Nature of Offences Recommended</b>	<b>Date of Action</b>	<b>Result</b>
Bell, David Brian	s.178BB Crimes Act (obtaining money etc by false or misleading statements)	19/06/96	Listed for callover on 12/12/96.
Child, Ronald Thomas	s.249B Crimes Act (corrupt commissions)	16/05/96	Listed for trial on 10/02/97.
Davies, Phillip George	s.178BB Crimes Act (obtaining money etc by false or misleading statements)	19/06/96	Listed for callover on 12/12/96.
Gillart, Michael Christopher	s.178BB Crimes Act (obtaining money etc by false or misleading statements) and s.249B(2)(b) Crimes Act (corrupt commissions or rewards)	16/05/96	Listed for trial on 10/02/97.

<b>Name</b>	<b>Nature of Offences Recommended</b>	<b>Date of Action</b>	<b>Result</b>
Hay, William Ross	s.249B Crimes Act (aid and abet - corrupt commissions or rewards)	16/05/96	Listed for trial on 24/02/97.
Hay, June Margaret	s.249B(1)(b) Crimes Act (aid and abet - corrupt commissions or rewards)	16/05/96	Listed for trial on 24/02/97.

**PROTON (OPERATION 67)  
REPORT ON INVESTIGATION INTO MATTERS RELATING TO POLICE AND  
CONFIDENTIAL INFORMATION**

<b>Name</b>	<b>Nature of Offences Recommended</b>	<b>Date of Action</b>	<b>Result</b>
Freeman, Gregory	Accept bribe in order to act in a manner contrary to duty and attempt bribe of Police Officer to act in a manner contrary to duty.	23/05/96	Listed for trial on 02/12/96.

**RINGER (OPERATION 75)  
REPORT ON INVESTIGATION INTO THE RTA AND PROPERTY DISPOSAL**

<b>Name</b>	<b>Nature of Offences Recommended</b>	<b>Date of Action</b>	<b>Result</b>
Samuel, Peter	s.249B(1)(b) Crimes Act (corruptly receiving bribes)	05/07/96	Informations dismissed.

**STURT (OPERATION 76)  
INVESTIGATION INTO FORMER ALDERMAN OF FAIRFIELD CITY COUNCIL  
GIUSEPPE MORIZZI**

<b>Name</b>	<b>Nature of Offences Recommended</b>	<b>Date of Action</b>	<b>Result</b>
Martin, Alexander Richard	offence in contravention of s.112 of the ICAC Act (suppression order)	27/05/96	Information dismissed. Case to be stated at the Supreme Court.

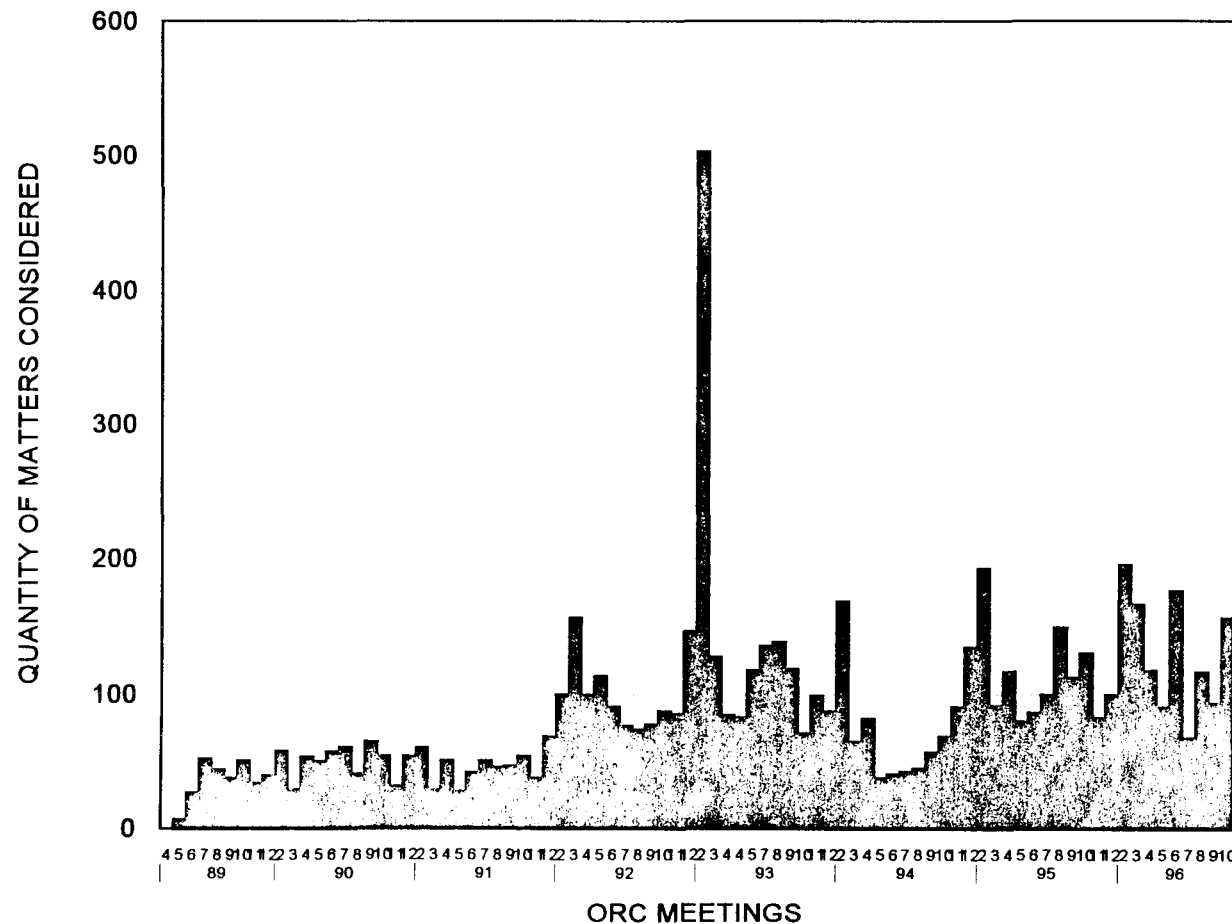
## OTHER PROSECUTIONS

<b>Name</b>	<b>Nature of Offences Recommended</b>	<b>Date of Action</b>	<b>Result</b>
Cavallaro, Tony	s.249B Crimes Act 1990 (corrupt commissions or rewards given or offered by a person - bribery).	22/07/96	Hearing adjourned to 03/02/97.
Fasan, Vittorio	s249B(2) Crimes Act (corrupt commission or rewards given or offered by a person - bribery).	24/05/96	All ground appeals listed for 25/11/96.



# MATTERS CONSIDERED BY THE OPERATIONS REVIEW COMMITTEE

BY ALL TYPES OF INVOLVING 7275 MATTERS



The Operations Review Committee (ORC) has met a total of 84 times. The graph represents the quantity of matters considered by the ORC at each of the meetings. The same matter may be reported to the ORC on numerous occasions, so that the figures include repeated matters.

The matters reported to the ORC are essentially comprised of complaints received pursuant to s.10 of the ICAC Act, however they may also include s.11 reports where they are linked to a s.10 complaint or formal investigation.

The matters are reported by way of either:

- (a) a Report on Investigation;
- (b) a Further Report concerning non-commencement of Investigation;
- (c) a Report on Assessment concerning non-commencement of Investigation;
- (d) a Report on Preliminary Enquiry concerning non-commencement of Investigation; and
- (e) a Status Report.

■ MATTERS CONSIDERED PER MEETING

**THE AUDIT OFFICE**  
OF NEW SOUTH WALES

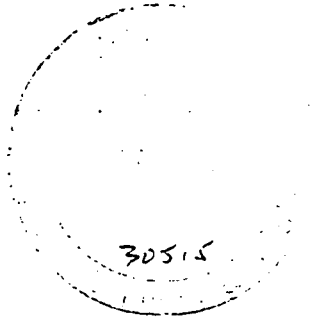
CONTACT NAME

PHONE  
285.0101

OUR REFERENCE  
A829

YOUR REFERENCE

The Hon B S J O'Keefe QC  
Commissioner  
ICAC  
GPO Box 500  
SYDNEY 2001



8 August 1996

Dear Commissioner

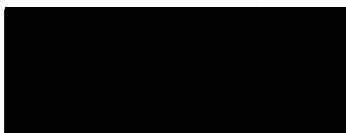
My expressed views on the question of anticipatory advice were rather more complex and understanding of your position than conveyed by Saturday's (3 August 1996) Sydney Morning Herald.

It is not usually appropriate to reject invitations to provide the Government with anticipatory advice, especially where that advice could avoid an error which would be the subject of subsequent criticism. This Office could inadvertently provide erroneous anticipatory advice, but the Office could also just as easily erroneously "approve" an action after the event.

This Office faces the same problems as others in reviewing advice it has previously offered. A conflict of interest is present - which might be alarming to some - but the Office has to try to be objective.

The rest of the views ascribed to me in the story are consistent with my views.

Yours sincerely



A C HARRIS  
AUDITOR-GENERAL

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<b>Corruption Prevention &amp; Education Outcomes</b>
Reduction in corruption and affecting public sector in New South Wales
Public sector organisations implement corruption prevention strategies. Stakeholders will not tolerate corruption and expect the public sector to pursue corruption prevention strategies
Stakeholders have increased knowledge about corruption and its prevention and the ICAC's work
Stakeholders receive useful, credible, advice and assistance
Stakeholders aware of ICAC products and availability of advice
Appropriate information on Corruption Prevention & Education and Investigations gathered and developed and organised into accessible form (eg Practical Guide to Corruption Prevention)
Programs are appropriate to community/client needs and ICAC objectives as set out in s12 and s13 of the ICAC Act

This document should be read from the bottom of the page to the top.

**NSW GOVERNMENT**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR BUDGET SECTOR AGENCIES**

Name of Agency

Period: Year ending 30 June 1997

**THIS STATEMENT OF FINANCIAL PERFORMANCE HAS BEEN AGREED  
BETWEEN:**

.....  
CEO for

M Lambert  
Secretary, NSW Treasury

Dated

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### A. *GENERAL*

1. Explanatory Note
2. Mission, Objectives and Key Strategies

### B. *FUNDING AND FINANCIAL PARAMETERS*

3. Funding and Financial Parameters

### C. *PURCHASER REQUIREMENTS*

4. Outcome, Output and Input Measures
5. Service Quality Standards

### D. *OWNERSHIP REQUIREMENTS*

6. Reporting and Monitoring Requirements
7. Efficiency Measures (including Data Envelopment Analysis and Service Competition Policy)
8. Risk Management Identification and Strategy
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### *ATTACHMENTS:*

- A1 Analysis of outcomes and outputs
  - A2 Projected Financial Statements
  - A3 Corporate Plan
  - A4 Capital Strategy Plan
  - A5 Asset Management Plan
  - A6 Internal Audit Plan
  - A7 Contracted Services (Value of agency services contracted out for 1994-95)
-

## 1. EXPLANATORY NOTE

The Statement of Financial Performance establishes the framework between each Budget Sector agency, the relevant portfolio Minister and Treasury and the Treasurer.

The Statement is divided into four broad parts.

### *Part A: General*

This part sets out the role and strategic direction of the agency.

### *Part B: Funding and Financial Parameters*

This part sets out the level of funding provided for the agency over the three year period for recurrent operations, the capital allocation for the Budget year and for the carry forward commitments for the two years beyond and the other financial parameters for the three year period (ie. the limit on the level of commitments).

### *Part C: Purchaser Requirement*

There are two broad relationships between the Government and each agency. One is the purchaser role and the other is the ownership role. The purchaser role reflects the requirement for the agency to deliver a certain volume of outputs, achieve targeted outcomes and deliver the services to a specified quality standard.

### *Part D: Ownership Requirement*

In contrast to the purchaser role, the ownership role is focused on financial performance, efficiency and effectiveness performance and the management of risk.

Part D is divided into a number of sections:

1. reporting and monitoring requirements, acknowledging the form of information required by OFM on a regular basis;
2. efficiency measures, setting out organisational efficiency measures (on a program basis where available);
3. outline of risk management strategy, identifying key issues of risk and the strategy to deal with each;
4. planned reviews directed at improving the efficiency and effectiveness of the agency.
5. documents broadly (a page at the most) the accounting policies employed.

Although the Statement is executed on an annual basis, it has a three year planning horizon.

In addition, various standard documents and sets of information are required to be attached, namely an analysis of outputs and outcomes (optional), projected financial statements (ie. projected statement of financial position, operating statement and cash flow statement for the Budget year), Corporate Plan covering the Budget year and beyond, Capital Strategy Plan for the next 5 to 10 years, Asset Management Plan, Internal Audit Plan, and a summary of progress achieved in implementing Service Competition Policy.

The Statement should not be seen as imposing significant additional work on agencies as it should be fully integrated into the agency's strategic and corporate planning process.

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## 2. MISSION, OBJECTIVES AND KEY STRATEGIES

### *Mission*

Summary statement setting out the core rationale for the agency. This should be consistent with the agency's Corporate Plan. Some supporting information may be useful or necessary to briefly describe broadly how the mission is pursued.

### *Objectives and Strategies*

Listing of the main corporate objectives of the agency, with any necessary supporting information. The objectives should line up with those contained in the Corporate Plan.

The strategies in turn set out the way in which the objectives will be pursued.

This section should be kept brief (2 pages maximum) as it is intended only to highlight the key elements of the Corporate Plan which should be attached.

## 3. FUNDING STATEMENT AND FINANCIAL PARAMETERS

This section sets out the level of funding approved by the Treasurer or Parliament and the level of financial parameters.

Parliament appropriates for the Budget year the level of Consolidated Fund support for both recurrent and capital purposes and the Budget Papers also provide forward estimates for the two forward years of the level of Consolidated Fund support for recurrent purposes.

In addition to these funding approvals, the Budget process sets limits on two items:

- the net cost of services, which is total expenses less agency revenue;
- capital authorisation limits, which is the sum of the cash payment for authorised new work, works in progress and minor works.

	1996-97	1997-98	1998-99
<b>FUNDING</b>	\$'000	\$'000	\$'000
Consolidated Fund recurrent allocation			
Consolidated Fund capital allocation			
<b>FINANCIAL PARAMETERS</b>			
• net cost of services			
• capital authorisation limit			

#### 4. OUTCOME, OUTPUT AND INPUT MEASURES

This section provides information for each program on clients, objectives, outcomes, outputs and inputs.

The information should be provided as a projection for the Budget year and for the three prior years as set out in the following pro forma.

Agency:

Program or Sub Program:

Clients:

Objective(s):

	Units	1993-94	1994-95	1995-96	1996-97 (f)
<b>OUTCOMES</b>					
<b>OUTPUTS</b>					
<b>INPUTS</b>					
• Net Cost of Services	\$'000				
• Total Current Payments	\$'000				
• Acquisition of property, plant and equipment	\$'000				
• Capital grants and advances	\$'000				
• Total Capital Program	\$'000				
• Average Staffing	EFT				

The projected achievements for outcomes and outputs must be consistent with the approved level of resources.

In effect, the Budget is a purchase contract between the Government and the agency for the provision or funding of a range of services at a specified level and of a specified standard of quality at an agreed price.

At the end of each Budget year it would be intended to review performance for the Budget year against the projections and assess any reason for variation in performance.

#### 5. SERVICE QUALITY STANDARDS

This section should set out the service quality standards which the agency has committed to in its Guarantee of Service document.

While ideally these quality standards should line up with the outputs set out in section 4, this is generally not the case as the service standards tend to apply across program areas.



Where possible service quality information should be presented as follows:

Service Quality Measure	1998-99	1999-00	2000-01	2001-02
e.g. Customer satisfaction				
Unplanned hospital readmission rates				

## 6. REPORTING AND MONITORING REQUIREMENTS

The format for financial reporting by Budget Sector agencies is set out in the Budget Procedures Manual.

This section will cross reference this requirement and, in addition, tailor make the reporting requirements for the specifics of each agency in the following ways:

- set out the periodicity of reporting. Not all agencies will report monthly. Depending on an assessment of materiality and risk, certain agencies may report less frequently;
- within year non financial reporting, providing information that provides a broad indication of how the agency is performing. This could include output information, efficiency and effectiveness performance indicators and general workload indicators.

The Government is also expected to issue *Guidelines for funding Non-Government Organisations* (NGOs) later this year that are designed to place agency procedures for funding NGOs on a consistent basis and to assist agencies to improve the efficiency, effectiveness and accountability of funding arrangements.

Agencies that are responsible for significant payments to NGOs should, from 1997-98 onwards, attach a brief report to the Statement of Financial Performance covering a description of the payments in question, the monitoring process which has been established in accordance with the NGO guidelines, the performance measures which have been adopted and any significant issues which need to be drawn to the Treasurer's attention.

## 7. EFFICIENCY MEASURES (INCLUDING DATA ENVELOPMENT ANALYSIS AND SERVICE COMPETITION POLICY)

Much of the information required by Government in its roles as agency owner and purchaser of agency services is provided in other sections of this statement, in particular:

- Section 4 provides information on overall agency effectiveness, i.e. outcome measurement, as well as the range and volume of services produced within each agency program and the aggregate cost of those services.
- Section 5 contains further information on agency effectiveness in terms of the quality of the services provided.
- Section 6 specifies the reporting and monitoring arrangements that are designed to satisfy the Government's interest in sound financial and resource management.

However, measures are also required which indicate the extent to which the agency is efficiently using the inputs provided to produce its outputs.

As part of the Commonwealth State Review of Service Provision, efficiency indicators have been developed or are in the process of being developed for police, courts, prisons, schools, hospitals, vocational training and community services. These provide a useful illustration of the type of measures sought.

### ***DATA ENVELOPMENT ANALYSIS***

A working group (convened by NSW Treasury) has been established under the auspices of the Review of Service Provision to explore the use of a technique known as Data Envelopment Analysis to measure efficiency. DEA is a linear programming technique that operates to identify best performers in terms of input use and output production. Other service providers are allocated a single efficiency score based on their performance relative to these best performers.

Within NSW, Treasury in conjunction with relevant line agencies has applied DEA to assess the technical efficiency of police patrols, minimum security correctional centres and motor registries. Studies have commenced to determine the technical efficiency of NSW local courts, TAFE colleges and non-teaching hospitals and further opportunities are being examined to apply the technique to other service providers.

Where DEA is considered to provide a useful tool for assessing the relative efficiency of an agency's service delivery units, this section of the SFP will contain a commitment to the use of the technique and an outline as to how it will be applied to improve service delivery efficiency. Where DEA studies have been completed the results should be summarised within this section.

### ***SERVICE COMPETITION POLICY***

As outlined in the June 1995 Financial Statement, the Government's Service Competition Policy requires all government agencies/departments to incorporate market-testing and contracting reviews as part of their formal business planning.

Since 1993 annual surveys have been undertaken of contracting for services in the NSW public sector, involving all Budget Sector agencies and some of the largest Government Trading Enterprises. The 1995 survey results, which were released in May 1996, again demonstrate that contracting is a valuable tool for agencies in achieving improvements in both operational efficiency and effectiveness.

The annual survey reports show aggregate contract value information by agency and by service category. Agencies should attach to their SFP (Attachment A7) a table showing the value of services contracted out by service category for 1994-95. The information in the table should be consistent with the aggregate results provided for the Annual Contracting Survey. An indication of areas where service competition policy will be progressed during the Budget year should also be provided.

## **8. RISK MANAGEMENT IDENTIFICATION AND STRATEGY**

This section covers the identification by the agency of areas and activities of significant risk and of the strategy to address these.

This section should provide (in no more than 2 pages) an outline of the **Internal Audit function** and approach and of the planned work program and how that work program relates to the risk management strategy of the agency.

## **9. REVIEW**

This section identifies planned reviews to be undertaken of the agency to improve efficiency and effectiveness with the section providing information under the following groupings:

- reviews to be undertaken in line with government policy initiative. For example, reviews being conducted under the auspices of the Council on the Cost of Government
- planned internal program reviews. Agencies are required to undertake regular reviews of programs and functions. These should be identified.
- agreed joint agency-OFM review. OFM and the agency may identify areas which would benefit from a collaborative joint review with the aim of improving financial management and planning.

The section should be limited to 1-2 pages.

## **10. ACCOUNTING POLICIES**

Accounting policies should be consistent with generally accepted accounting standards (as specified in Treasury Circulars and Treasury Technical Papers) with a brief description (1-2 pages) of how the accounting policies have been applied by the agency in respect of key areas such as:

- depreciation; and
- asset valuation.

## **Attachment A1**

### **Analysis of Outputs and Outcomes**

The SFP is primarily designed to provide key information on an agency's operations for CEOs and Ministers within a concise format. However, it is recognised that some agencies will wish to provide a more comprehensive picture of their outputs and outcomes and that CEOs and Ministers may on occasion also require access to more detail. Accordingly, this attachment, which would be cross-referenced to the outputs and outcomes section, allows those agencies which choose to do so to provide some descriptive context for their outputs and outcomes.

It is suggested that the attachment cover:

1. a full description of any outputs and outcomes which are not considered to be self-explanatory;
  2. analysis of any significant trends in an agency's outputs and outcomes; and
  3. any other issues in relation to outputs and outcomes which an agency considers should be clarified for SFP readers.
-

## Performance Indicators Glossary

This glossary is intended to assist preparers of Budget Sector Statements of Financial Performance (SFPs) in distinguishing between outputs, outcomes, service quality standards and efficiency indicators.

Ongoing development and refinement of the performance measures contained in SFPs will involve:

- discussions between agencies and Treasury;
- the adoption of measures developed through other exercises such as the Commonwealth/State Service Provision Review and the NSW's Council on the Cost of Government's Service Efforts and Accomplishments (SEAs) project.

### Outputs

Outputs are the goods and services produced by an agency for outside users such as the Government, the community and other agencies. The following table provides some examples of outputs for various areas of Government activity:

Area	Output
Health	Children immunised
	Occasions of service
Police	Arrests
	Investigations
	Traffic infringement notices
	Random breath tests
Corrective Services	Annual receptions
	Unsentenced and appellants in custody
	Inmate employment positions available
Agriculture	Noxious weed inspections
	Animal health investigations
	Biological control agents released
Consumer Affairs	Premises inspected
	Complaints investigated
Art Gallery	Items accessioned
	Items conserved
	Exhibitions
Courts	Disputes resolved

The following questions may assist in specifying agency outputs:

- Are the outputs actual goods and services provided to external parties?
- Do the outputs influence specified outcome measures?
- Do the outputs represent the majority of goods and services provided by the agency to external parties?

## Outcomes

Outcomes are the results for the community which the Government aims to achieve through implementation of its policies. Typical high level outcomes which Governments seek to influence are the standard of health and education, the level of crime and the quality of the environment. Examples of specific outcome measures for various policy areas include:

Area	Outcome
Health	Mortality rates.
	Annual rate of hospitalisation due to poisoning and injury per 100,000.
	Percentage of adults who are smokers.
	Average waiting time for overnight elective surgery.
Police	Assault victims.
	Motor vehicle thefts.
	Speed and alcohol related collisions.
Corrective Services	Escapes
	Recidivism
	Deaths in custody
Environment	Air pollution levels (greenhouse gases, lead etc)
	Water pollution levels (e.g. levels of pesticides, salinity etc in rivers, estuaries, lakes and wetlands)
Education	Basic skill levels
	Participation rates
	Employer satisfaction

It may be useful to distinguish between *intermediate* outcomes and high level policy or *end* outcomes<sup>1</sup>, particularly where it may not be possible to determine final outcomes for some years into the future or where an individual agency's outputs are only one factor influencing the final outcome. In this context *end* outcomes are the ultimate results that are hoped to be achieved by agency/program activities e.g. a reduction in the overall level of crime, improvements in air and water quality, a reduction in mortality rates.

<sup>1</sup> The discussion on end and intermediate outcomes is based on the US Department of Justice's '*Manager's Handbook on developing useful performance indicators*', April 1995.

*Intermediate* outcomes are expected to lead to the ends desired but are not themselves ends. In many programs, a progression or sequence of outcomes usually occurs. *Intermediate* outcomes have several advantages for program managers. These outcomes often occur earlier in time than *end* outcomes and, thus, may provide more timely feedback. Using *intermediate* outcome measures can ensure that agencies receive acknowledgment for early events especially if it takes a long time before the end outcomes of program activities can be measured. *End* outcomes, however, should not be neglected.

*Intermediate* outcomes are also more likely to be influenced by individual agencies/programs than are *end* outcomes. *End* outcomes are likely to be influenced by more events that are outside agency/program control. Agency/Program managers should therefore aim to identify the sequence of outcomes sought, perhaps using a flow chart to depict the hoped for chain of events.

For example in the environmental area, where outputs might include specification of industry standards and monitoring and enforcing compliance with those standards, an *intermediate* outcome might be the number of companies complying with standards, leading to a reduction in certain emissions, leading to the final outcome of better air quality.

Where agencies consider it useful they may wish to show two categories of outcomes in their SFPs i.e. *end* (or high level policy) and *intermediate*.

The following list of questions may also assist in testing existing and proposed outcome measures:

- Are the measures consistent with stated policy objectives?
- Are the measures comprehensive in terms of the Government's objectives for the agency or program?
- Are the measures influenced by goods or services provided by the agency or program in question?
- Are the measures readily quantifiable?
- Do the measures reflect real impacts on the community?

If it proves impractical to derive useful outcome measures from the stated objective then it may be necessary to review the objective itself. Relevant questions in this regard would include whether the objective is too vague or ambiguous.

## **Service Quality Standards**

Service quality standards relate to the quality of an agency's goods and services. For instance the time taken to process a licence application. As such they are generally a means towards achievement of policy outcomes rather than being outcomes in themselves. However, some quality measures, such as hospital waiting times, that have significant community impacts may be included in an SFP as an *intermediate* or lower level outcome.

## Efficiency Indicators<sup>2</sup>

The term efficiency is generally used to describe how well organisations use their resources in the production of goods and services. Examples of efficiency measures include:

- Cost of treatment per outpatient.
- Average expenditure per student.
- Student/staff ratios.
- Cost per curriculum hour.
- Average cost per offender.
- Prisoner to staff ratios.
- Cost per care day.
- Average total vehicle cost per kilometre travelled.

As illustrated by the above examples, efficiency can be measured in terms of quantity (i.e. quantity of inputs related to quantity of outputs) or in terms of cost (i.e. cost per unit of output).

More sophisticated efficiency measurement tools such as Data Envelopment Analysis (DEA) are able to show the relationship between multiple inputs and outputs. In short, DEA is a linear program technique that operates to identify best performers in terms of input use and output production. Other service providers are allocated a single efficiency score based on their performance relative to these best performers. DEA is generally applied to agencies that are responsible for a large number of service delivery units (e.g. hospitals, courts, police and schools).

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<sup>2</sup> The discussion on efficiency indicators is based on Chapter 2 of the First Report of the Review of Commonwealth/State Service Provision, Industry Commission 1995.



# INDEPENDENT COMMISSION AGAINST CORRUPTION

**Subject:** CODE OF CONDUCT  
**No:** 9  
**Issued:** 1992  
**Revised:** August 1995  
**Maintained by:** Personnel Unit  
**Directory:** i:\icac\_crp\pol\_proc\policy\pol.009

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## CODE OF CONDUCT

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## 1. Introduction

The Independent Commission Against Corruption is constituted under the Independent Commission Against Corruption Act 1988 (ICAC Act). Accountable to the public of New South Wales, through the Parliament, it stands independent of the government of the day.

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

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

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

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

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

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

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

## 2. Principles

Officers of the Commission must carry out their duties impartially, with integrity and in the best interests of the Commission.

The name and powers of the Commission must be used with restraint and with an awareness of their potential effect on the lives of individuals. They should never be used to gain personal advantage.

The standards of ethical behaviour and accountability which the Commission promotes in its dealings with other government organisations must be met by its own officers. Officers of the Commission should establish and maintain effective relations with individuals and

organisations outside the Commission, recognising their rights as citizens. Discrimination and partiality, either within the Commission or in dealings with people and organisations outside the Commission, are unacceptable.

The work of the Commission must not be compromised or affected by any personal interest.

Public resources must be used efficiently and effectively.

The security of information and the protection of persons working with or dealing with the Commission must be assured.

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

### 3. Employment

The ICAC Act places all officers under the control of the Commission. Appointment is not under the Public Sector Management Act but is within the terms of S.104 of the Independent Commission Against Corruption Act 1988 and the ICAC Enterprise Agreement. Conditions of employment with the Commission are similar to those within the NSW State Public Service relating to particular conditions of employment such as allowances and leave.

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

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

At induction to the Commission, staff are provided with details of the Commission's Individual Performance Management Programme (IPMP). Appraisal takes place six months after commencement and then on an annual basis. For further information on IPMP consult the Personnel Unit. As an employee of the Commission, you have undertaken:

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

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## Senior Management or a member of the Security Unit.

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

### 4. Personal and Professional Conduct

You should carry out your duties with honesty, commitment and diligence, working to the best of your ability. Where a decision or action is based on a statutory power, you must ensure that:

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

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

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

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

You must not harass or discriminate in your work practices on the grounds of sex, marital status, pregnancy, age, race, colour, nationality, ethnic or national origin, physical or intellectual impairment, sexual preference or religious or political conviction when dealing with your colleagues and members of the public.

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

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

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

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

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

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

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

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

## **5. Accountability**

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

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

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

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

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

## **6. Use of Information**

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

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

is made.

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

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

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

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

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

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

## **7. Public Comment**

You must not make official comment on matters relating to the Commission unless you are authorised to do so by the Commissioner. The Commission's Media Policy requires that you refer all media inquiries to the Media Manager who is the official spokesperson of the Commission.

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

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

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

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

## **8. Financial and Other Private Interests - Disclosure and Conflicts**

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

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

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

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

If you are in doubt whether to disclose a change in financial or personal circumstances or a potential conflict of interest, you should consult a member of Senior Management. As a general rule, disclosure is always preferable. It is confidential and can do no harm, whereas a great deal of damage may be done if you have not made disclosure of an interest, association or activity which may embarrass the Commission.

There are many possible circumstances where a conflict of interest could arise. You have the responsibility to be aware of possible conflicts and bring them to the Commission's attention so that an informed decision can be made about what action to take. Some examples are given below, but you should not regard this as an exhaustive list:

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

## 9. Public Resources

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

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

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

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

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

- . you may use the phone for private calls, if they are short, infrequent and do not interfere with work,
- . you may send or receive facsimile messages providing they are infrequent and do not interfere with work,
- . you may, with a supervisor's permission, use Commission resources (such as computer equipment) for approved personal purposes,
- . you may add your mail to the Commission's for posting, but you must not ask anyone to make a special trip for you. You must provide the stamp.

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

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

Commission vehicles should only be used for official business unless approval has been given for private use. Official use may include overnight garaging at your home. Members of your family and friends should not drive a Commission vehicle unless your terms and conditions of employment permit its private use.

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

- . you use it only in your own time,
- . the equipment is secure and properly cared for,



- . your use does not prevent colleagues from doing their work,
- . you provide consumables, for example, paper.

## 10. Security

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

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

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

## 11. Bribes, Gifts, Benefits, Travel and Hospitality

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

You **must never solicit** any money gift or benefit, travel or hospitality and you must never accept any offer of money. Accepting gifts or benefits could seriously damage the Commission's position. It is vital that:

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

As a general rule, you should decline offers of gifts, benefits, travel or hospitality (accommodation, meals or entertainment). Officers who agree to speak officially at functions should, where possible, notify their hosts that it is inappropriate to offer gifts or rewards. There may be rare occasions when refusing a gift would be perceived as rude or offensive and these occasions require that you exercise sound judgment. For example:

- . you must decline any offer from an individual or organisation you know to be the subject of an investigation by the Commission, or the subject or originator of a complaint or report to the Commission,
- . you must decline any offer which is individually targeted and not available to

colleagues or associates who share a common task and purpose. For example, you may accept a modest lunch which is offered to a working group, but should pay for your own when you are the only person to whom an offer is made,

- . you may accept an item which relates to the work of the Commission, such as a book on a relevant topic, but you must refuse items which are unrelated to your work, for example travel or sporting goods,
- . you may accept a gift, benefit, travel or hospitality only if it is of a token kind, and when to refuse would be unnecessarily rude.

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

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

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

## **12. Outside Employment**

If you are employed or are considering employment outside the Commission on any basis - full-time, part-time or casual - you must seek the approval of the Commissioner, or delegate, as outlined in the Commission's Private Employment Policy.

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

Police officers temporarily transferred to the Commission, who are required to attend court hearings concerning matters initiated prior to transfer, must register court commitments in writing immediately following notification. Officers who, in the role of constable, respond to an incident which results in the commencement of police work unrelated to Commission duties, must inform the Director of Investigations in writing promptly after the incident.

## **13. Notification of Corrupt Conduct and Complaints against Staff**

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

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

You must also disclose any instance of suspected corrupt conduct, maladministration or serious and substantial waste occurring within the Commission to your supervisor, the

Commission's General Counsel (in the case where the Commission does not have a General Counsel, the Solicitor to the Commission), or the Commissioner. Any such disclosure will be a 'protected disclosure' provided it conforms with the requirements of the 'Protected Disclosure Act, 1995'.

Cases of suspected corruption or maladministration may also be reported direct to the NSW Ombudsman and cases of serious and substantial waste may also be reported to the NSW Auditor-General.

The Protected Disclosures Act, as far as it is relevant to staff at the Commission, makes it an offence to take "detrimental action" against another person in reprisal for making a protected disclosure.

All 'protected disclosures' will be handled in accordance with the Commission's 'Protected Disclosure Reporting Policy'. The Commission is committed to ensuring that there will be no recriminations against those who report suspected corrupt conduct, maladministration and serious and substantial waste. In the case of a 'protected disclosure' recriminations are unlawful. If you feel that you are the subject of recriminations, you should report it directly to the Commissioner.

You must notify the Solicitor to the Commission of any complaint made against a Commission officer by a person not working for the Commission.

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

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

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

#### **14. Sanctions**

Sanctions may be applied if you are involved in:

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

The sanction/s to be applied will depend on how serious and/or repeated breaches are

considered to be. They may include:

- . counselling by your supervisor, a member of Senior Management, or in extreme cases by the Commissioner,
- . a record of behaviour being documented and placed on your file,
- . not being recommended for further term of employment,
- . dismissal,
- . prosecution.

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

Clause 13 of the Commission's Enterprise Agreement relating to resignations and terminations states employees resigning from employment must provide a minimum of four weeks notice, in writing, to the Commission unless the Commission agrees to a lesser period. Should a decision be made to terminate employment, four weeks notice or payment in lieu will be provided. The Commission will not necessarily give a reason for terminating employment. This provision will not be taken lightly by the Commission, and is likely to be used only for serious cases of gross inefficiency, for misconduct or where a substantial security risk is evident.

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

#### **15. Responsibilities of Officers who have left the Commission**

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

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

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

## Investigation Reports

- August 1996  
Harness Racing Authority  
Report on Investigation Concerning the Chairman of Stewards of the Harness Racing Authority of New South Wales
- April 1996  
Mr P M Smiles  
Investigation into Circumstances Surrounding the Payment of a Parliamentary Pension to Mr P M Smiles— Second Report
- January 1996  
Southern Mitchell Electricity  
Purported Termination of Employment of Jeffrey Horner & Edwin Chenery by Southern Mitchell Electricity
- February 1995  
Mr P M Smiles  
Investigation into Circumstances Surrounding the Payment of a Parliamentary Pension to Mr P M Smiles
- February 1995  
Randwick Council  
Investigation into Randwick City Council
- February 1995  
RTA and Property  
Investigation into the RTA and Property Disposal
- September 1994  
Police and Paedophiles  
Interim Report on Investigation into Alleged Police Protection of Paedophiles
- June 1994  
Police and Confidential Information  
Investigation into Matters Relating to Police and Confidential Information
- April 1994  
Police and Criminals  
Investigation into the Relationship between Police and Criminals – Second Report
- February 1994  
Police and Criminals  
Investigation into the Relationship between Police and Criminals – First Report
- January 1994  
Collins  
Investigation into Collins v Ryan
- November 1993  
Zouch  
Investigation into the Conduct of Brian Zouch
- June 1993  
Landa  
Investigation into the Office of the Ombudsman
- March 1993  
Metherell 3  
Integrity in Public Sector Recruitment
- March 1993  
SRA Northern Region  
Investigation into the State Rail Authority –Northern Region
- January 1993  
Use of Informers  
Investigation into the Use of Informers—Volumes 1 & 2
- September 1992  
SRA Trackfast  
Investigation into the State Rail Authority - Trackfast Division
- September 1992  
Metherell 2  
Second Report on Investigation into the Metherell Resignation and Appointment
- August 1992  
Release of Govt Information  
Investigation into the Unauthorised Release of Government Information. Vol 1, 2 & 3. *Volumes 2 & 3 only available through public libraries*
- July 1992  
Blackmore  
Investigation into the Conduct of Peter Blackmore
- June 1992  
Metherell 1  
Investigation into the Metherell Resignation and Appointment
- May 1992  
Sydney Water Board  
Investigation into the Sydney Water Board and Sludge Tendering
- March 1992  
Conflicts of Interest  
Investigation into Local Government, Public Duties and Conflicting Interest
- March 1992  
Film Corporation  
Investigation into the New South Wales Film Corporation and Pepper Distribution
- January 1992  
Kyogle  
Investigation into Road Works in the Shire of Kyogle
- December 1991  
South Sydney  
Investigation into the Planning and Building Department of South Sydney Council
- July 1991  
Helicopter  
Investigation into the Maritime Services Board and Helicopter Services
- July 1991  
Vinyl  
Investigation into Tendering for Vinyl Floor Products
- May 1991  
Tow Truck Repairs  
Investigation into Police and Truck Repairers

- April 1991  
Neal and Mochalski  
Investigation concerning Neal and Mochalski
- February 1991  
Sutherland  
Investigation into Sutherland Licensing Police
- January 1991  
Waverley  
Investigation relating to Stait Dainford and Waverley Council
- December 1990  
Azzopardi  
Investigation into Harassing Telephone call made to Edgar Azzopardi
- December 1990  
RTA  
Investigation into Drivers Licensing, Volumes 1 & 2
- October 1990  
Walsh Bay  
Investigation into the Walsh Bay Redevelopment Project
- September 1990  
Housing  
Investigation into Dealings between Homfray Carpets and the Department of Housing
- August 1990  
TAFE  
Investigation into the Randwick College of TAFE
- July 1990  
Land Titles  
Investigation into Registration of DP787368 at the Land Titles Office
- July 1990  
North Coast  
Investigation into North Coast Land Development. *Available through public libraries only.*
- February 1990  
Silverwater  
Investigation into the Silverwater Filling Operation

- December 1989  
Hakim  
Investigation Relating to the Raid on Frank Hakim's Office
- October 1989  
Park Plaza  
Investigation Relating to the Park Plaza Site

## Corruption Prevention Projects

- September 1995  
And Now a Word from our Sponsor
- July 1995  
Contracting for Services: Probity Checklist Brochure
- May 1995  
Contracting for Services: the Probity Perspective
- February 1995  
Internal Reporting Systems
- October 1994  
Corruption Prevention and Plant Hire – An Evaluation
- August 1994  
Monitoring Cash Handling in Public Hospitals
- July 1994  
Taken for Granted? – Better Management of Government Grants Brochure
- March 1994  
Taken for Granted? – Better Management of Government Grants
- February 1994  
Trips and Traps–Travel in the NSW Public Sector
- October 1993  
A High Risk Area–The Management of Criminal Investigations–A Discussion Paper
- August 1993  
Sponsorship Principles–A Discussion Paper

- July 1993  
Pitfalls or Probity–Tendering and Purchasing Case Studies
- May 1993  
Review of ICAC Code of Conduct. *Available through public libraries only.*
- April 1993  
Department of Housing Maintenance Contracts– Monitoring Report
- March 1993  
Local Government Speaks! *Available through public libraries only.*
- February 1993  
Just Trade? Proceedings of Seminar on the ICAC Report on the Unauthorised Release of Government Information
- December 1992  
Plant Hire (Heavy Machinery)
- August 1992  
Secondary Employment of NSW Police Officers
- July 1992  
Department of Health–Cash Handling in Public Hospitals
- March 1992  
Allocation of Boat Moorings by the NSW Waterways Authority
- December 1991  
Purchase and Sale of Local Government Vehicles
- April 1991  
Roads and Traffic Authority–Driver Licensing (Executive Summary, Findings and Recommendations)
- February 1991  
Department of Housing–Maintenance Contracts (Executive Summary, Findings and Recommendations)

## Annual Reports

- Annual Reports
- Year 19..  
1989–1995  
(Annual Report Summary 1994–5 available)

## Discussion Papers

May 1993

Informants Paper

Police Informants. On the Nature and the Management of the Relationship between Police and their Informants

October 1992

Metherell 3

Recruitment of Former Members of Parliament to the Public Service & Related Issues

July 19

Conflicts of Interest

Conflicts of Interest and Local Government

## Research Publications

June 1996

Monitoring the Impact of the Protected Disclosures Act, 1994. Phase 2: Interviews with NSW Public Sector Agencies and Local Councils. Interim Report Summary.

May 1996

Corruption and Related Issues: An Annotated Bibliography.

April 1996

Monitoring the Impact of the Protected Disclosures Act, 1994. Phase 1: Survey of NSW Public Sector Agencies and Local Councils. Interim Report.

March 1996

Community Attitudes to Corruption and the ICAC 1995.

May 1995

Community Attitudes to Corruption and the ICAC 1994.

April 1994

Unravelling Corruption: A Public Sector Perspective. Survey of NSW Public Sector Employees' Understanding of Corruption and Their Willingness to Take Action. Research Report.

March 1994

Unravelling Corruption: A Public Sector Perspective. Survey of NSW Public Sector Employees' Understanding of Corruption and Their Willingness to Take Action. Summary Report.

March 1994

Community Attitudes to Corruption and the ICAC: ICAC Public Attitude Survey.

## Other Publications

ICAC Corporate Brochures  
June 1996

Serving the NSW Community

Making a Protected Disclosure to the ICAC

ICAC Functions

What is Corruption?

Guarantee of Service

Making a Complaint About Corrupt Conduct

Corporate Plan 1995-98

Code of Conduct

Information for Witnesses

The Operations Review Committee

How the ICAC Works-Operation Hubcap (A Case Study) June 1996

November 1994

Inquisitorial Systems of Criminal Justice and the ICAC: A Comparison

August 1994

Inquiry into the Treatment of Staff Complaints in a Minister's Office

March 1992

In Whose Interest-18 Issues to Consider

March 1991

19 Key Issues-The First Two Years

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