


18

# ANNUAL REPORT

19

**ESSENTIAL** TO ENSURING  
TRUST IN GOVERNMENT





**Essential** to maintaining trust in Government, the Integrity Commission is here to stay as a cornerstone of Tasmania's future.

## Further information

This report and further information about the Integrity Commission is available at [www.integrity.tas.gov.au](http://www.integrity.tas.gov.au).

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## Letter to the Presiding Officers

PRESIDENT OF THE  
LEGISLATIVE COUNCIL

SPEAKER OF THE  
HOUSE OF ASSEMBLY

ANNUAL REPORT FOR 1 JULY 2018 TO 30 JUNE 2019

Dear Mr President  
Dear Madam Speaker

The Integrity Commission annual report for the 2018-19 financial year is presented to Parliament in accordance with sections 11(1) and 11(2) of the *Integrity Commission Act 2009* (Tas).

The report covers the Commission's business activities and financial statements for the reporting period.

Yours sincerely

GREG MELICK, AO RFD SC  
CHIEF COMMISSIONER  
15 OCTOBER 2019

RICHARD BINGHAM  
CHIEF EXECUTIVE OFFICER  
15 OCTOBER 2019

-- Copy to the Minister for Justice

## Letter to the Minister for Justice

HON ELISE ARCHER MP

MINISTER FOR JUSTICE  
ATTORNEY-GENERAL  
MINISTER FOR THE ARTS  
MINISTER FOR CORRECTIONS  
MINISTER FOR BUILDING AND CONSTRUCTION  
MINISTER FOR RACING

ANNUAL REPORT FOR 1 JULY 2018 TO 30 JUNE 2019

Dear Minister

In accordance with section 36 of the *State Service Act 2000* (Tas) and section 26 of the *Financial Management and Audit Act 1990* (Tas), I am pleased to present the Integrity Commission's annual report covering the 2018-19 reporting period.

Yours sincerely

RICHARD BINGHAM  
CHIEF EXECUTIVE OFFICER  
15 OCTOBER 2019

## FOREWORD



Over the course of this reporting period, the Commission reached significant milestones and continued to progress its mandate of preventing and investigating public sector misconduct in Tasmania.

Consistent with the findings of the five-year review of the Act, concluded in 2016 by former Supreme Court Chief Justice and Governor of Tasmania, the Hon William Cox, QC, the Commission continued to direct its investigative resources to allegations of serious misconduct and matters involving the most senior public sector officials.

It was a year of noteworthy investigations in that regard with several matters involving current and former Members of Parliament being undertaken. Consequently, reports of four matters were released in the public interest.

The Commission's commitment to upholding transparency continued. This year we increased the information available on our website, including high-level updates on all our ongoing matters, as well as detailed summaries provided within this annual report.

Our view is that the public release of information is essential to maintaining community confidence in the accountability of the public sector, and, where appropriate, bringing to light the actions of its decision-makers.

While our investigative work is critical in shining a light on public sector misconduct, the lasting benefits arise from what we learn and how we use that to define good practice and promote a culture of integrity.

Drawing on almost a decade of insights, this year the Commission reviewed and expanded the scope of its prevention strategies, resulting in a consolidated plan for action across the next two years. We look forward to the substantial outcomes and opportunities that this will bring.

As the Integrity Commission approaches its tenth year, it operates with increasing clarity of **purpose** and **priorities**.

A key prevention initiative will be our new online education module and platform intended for the entire public sector. This new resource will discuss the role of the Commission and Tasmania's key misconduct risk areas, while also concentrating on the good work being done across our State.

A further outcome will be the launch of a new public website for the Commission, one that is strongly geared to the needs of our stakeholders.

Through education, support and advice, the Commission continues to work in partnership with public authorities and peak bodies to increase standards of propriety and promote public sector values. This year we took a proactive approach in supporting public authorities that have been subject to adverse findings in an investigation.

Maintaining a high standard of propriety is in **everyone's** interest. The Commission is well positioned to continue to support the public sector to prevent and respond to misconduct, while increasing public trust that good decisions are defining Tasmania's future.

GREG MELICK, AO RFD SC  
CHIEF COMMISSIONER

RICHARD BINGHAM  
CHIEF EXECUTIVE OFFICER



## SNAPSHOT

**140** complaints received

**48** assessments and **6** investigations concluded,  
containing **160** allegations of public sector misconduct  
**63** occasions when statutory powers were used  
**4** reports released in the public interest

**34** presentations and workshops delivered

**681** total attendees representing **19** public authorities,  
as well as **405** online course completions by public officers  
**50** misconduct management notifications received

## ABOUT THE COMMISSION

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The Integrity Commission (the Commission) is an independent statutory authority, established in 2010 by the *Integrity Commission Act 2009* (Tas) (the Act). Under the Act, our objectives are to:

- improve the standard of conduct, propriety and ethics in public authorities in Tasmania;
- enhance public confidence that misconduct by public officers will be appropriately investigated and dealt with; and
- enhance the quality of, and commitment to, ethical conduct by adopting a strong educative, preventative and advisory role.

We do this by:

- educating public officers and the public about integrity;
- assisting public authorities to deal with misconduct;
- dealing with allegations of serious misconduct or misconduct by designated public officers; and
- making findings and recommendations in relation to investigations.

We are an independent authority, **trusted** by the Tasmanian community to support an ethical and responsible public sector.



## Strategic plan

The Commission's *Strategic Plan 2018-20* sets out our key initiatives and strategies for advancing the objectives of the Act. Our progress against these objectives is outlined in this report.

## Our structure

### Executive

The Act establishes the offices of the Chief Commissioner and Chief Executive Officer. These two roles have wide-ranging responsibilities and set the strategic and operational direction and management of the Commission.



**GREG MELICK, AO RFD SC**  
CHIEF COMMISSIONER



**RICHARD BINGHAM**  
CHIEF EXECUTIVE OFFICER

Chief Commissioner Greg Melick chairs the Board of the Integrity Commission. Greg practises as a barrister and mediator in jurisdictions in both criminal and civil matters and holds several concurrent positions, including as part-time Deputy President of the Commonwealth Administrative Appeals Tribunal and National President of the Returned and Services League (RSL) Australia.

He is a former Principal Crown Counsel and Statutory Member of the National Crime Authority and the New South Wales Casino Control Authority. Greg also served as a Major General in the Australian Defence Force.

Chief Executive Officer Richard Bingham has led the Integrity Commission since 2017.

With a background in law reform, Richard has held senior leadership and statutory roles for the past thirty years, most recently as the Queensland Integrity Commissioner. Previously, Richard was the South Australian Ombudsman (2009-14), inaugural chair of the Tasmanian Electoral Commission (2004-09), and Secretary of the Tasmanian Department of Justice (1994-2004).





## Board of the Integrity Commission

The role of the Board of the Integrity Commission is set out in the Act. Principally, the Board ensures that the Commission performs its functions appropriately and exercises its powers in accordance with the objectives of the legislation.

The Board consists of the Chief Commissioner as chair and three appointed members. Members are appointed on a five-year term. The most recent term ended in June 2018 and the Board was re-appointed in July 2018.

The Commission was pleased that government determined to reappoint Luppo Prins, APM to the Board. Luppo, as the longest serving Board member, has been in the role since the Commission's inception in 2010. The Commission also welcomed two new members to the Board: former public sector executive, Phil Foulston; and barrister and investigator, Robert Winter.



**MEMBERS OF  
THE BOARD**  
LUPPO PRINS, APM  
PHIL FOULSTON  
ROBERT WINTER  
(LEFT TO RIGHT)

TABLE 1. BOARD MEETING ATTENDANCE

Meeting dates		Attendees	Absentees	Attendance rate
2018	8 August	3	Luppo Prins	75%
	3 October	4	-	100%
	5 December	4	-	100%
2019	13 February	4	-	100%
	3 April	4	-	100%
	5 June	4	-	100%



### Luppo Prins, APM

A former Assistant Police Commissioner, Luppo Prins APM had a 42-year career in policing. He was awarded the National Police Medal, the Australian Police Medal for Outstanding Service and the Commissioner's Integrity Medal.

Since retiring from Tasmania Police in 2005, Luppo has conducted major independent investigations and reviews for the Department of Justice and the Department of Health and Human Services.

### Phil Foulston

Former Director and member of the executive of the Department of Premier and Cabinet, Phil Foulston worked in the public sector for almost 30 years. He has substantial experience as a senior administrator, adviser and manager within a policy and regulatory framework in the complex political, social and organisational environment of a central government agency.

His key responsibilities included the machinery of government, constitutional administration, general governance, and corporate services. Before joining the public sector, he was a human resource management practitioner in the UK aluminium industry.

### Robert Winter

Rob Winter was admitted as a Barrister and Solicitor of the Supreme Court of Tasmania and the High Court of Australia in 1989. After extensive experience in prosecutions and insurance litigation, he joined an international loss adjusting practice in 1995. Since then, he has investigated and reported on wide-ranging employment and liability matters.

Rob is a member of the Anti-Discrimination Tribunal and the Code of Conduct Panel established under the *Local Government Act 1993* (Tas). He is a former TFL Tribunal member and former Chairman of the Southern Tasmanian Councils Code of Conduct Panel.

## Business Units

The Commission has three business units. Due to the size of our organisation and specialist nature of our roles, we work with a high degree of cross-team collaboration. All officers make a substantial contribution to the effective and efficient operation of the Commission.

### Operations

The Operations Unit is responsible for the Commission's complaint handling and investigative functions. The unit handles all allegations of public sector misconduct and conducts own-motion investigations, as directed by the Board, as well as the Commission's police oversight program.

### Misconduct Prevention

The Misconduct Prevention Unit progresses the Commission's objective of increasing public sector capacity to prevent and respond to misconduct. It does this through education, advice and support. The unit is also responsible for the Commission's communications and media portfolio.

### Corporate Services

The Corporate Services Unit oversees the management and continuous improvement of the Commission's business practices. This includes managing the Commission's budget, financial reporting, information, records, facilities and providing secretariat support to the Executive.

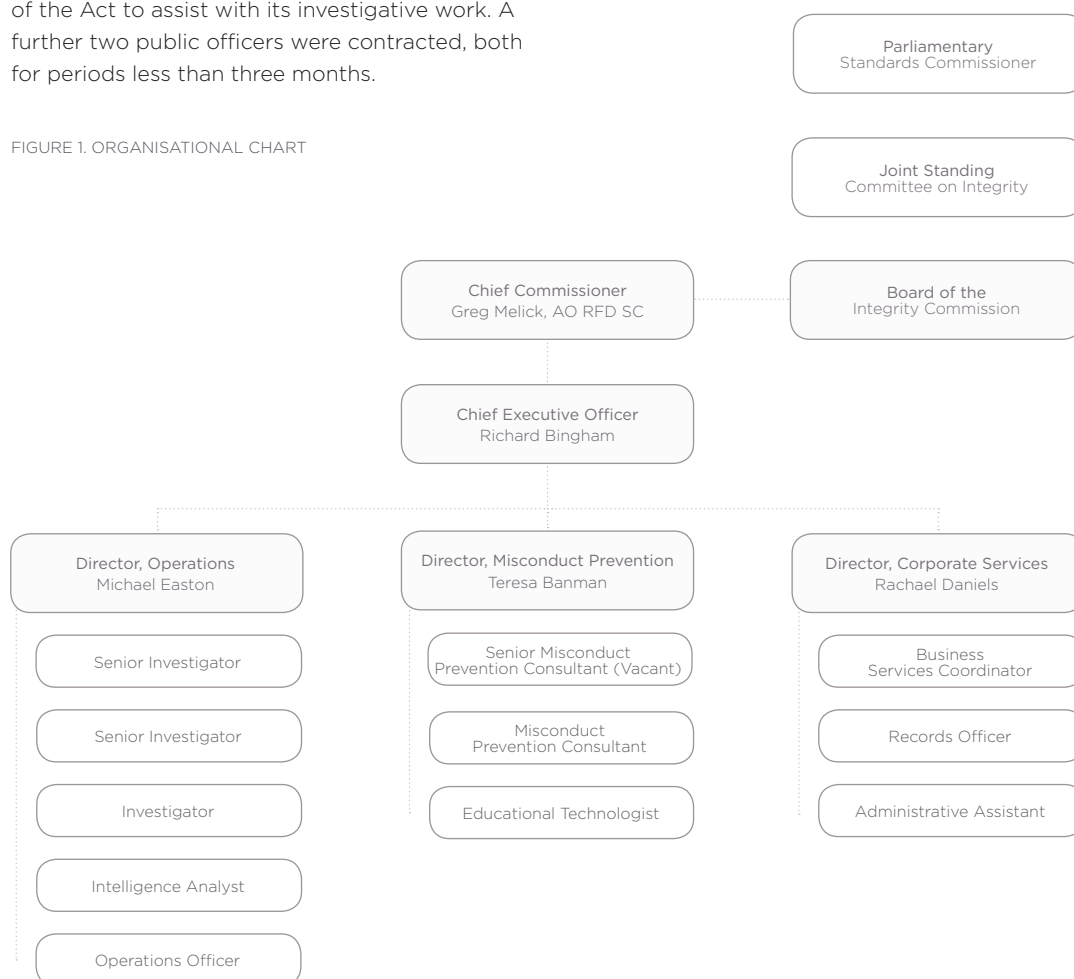


## Organisational chart

This chart represents the structure of the Commission at 30 June 2019. It also acknowledges the associated parliamentary Joint Standing Committee on Integrity and the independent office of the Parliamentary Standards Commissioner, both of which were also established under the Act.

During the reporting period, the Commission authorised one public officer under section 21 of the Act to assist with its investigative work. A further two public officers were contracted, both for periods less than three months.

FIGURE 1. ORGANISATIONAL CHART





## Relationship with Parliament

The Commission operates independently of government. It does not operate under the direction of a Minister or any other public authority.

Under the Act, the Commission is accountable to Parliament through the parliamentary Joint Standing Committee on Integrity (the Joint Committee).

### Joint Standing Committee on Integrity

The Joint Committee has six members, three from each house of Parliament. Members as at 30 June 2019 were:

#### LEGISLATIVE COUNCIL

- The Hon Ivan Dean MLC
- The Hon Michael Gaffney MLC
- The Hon Rob Valentine MLC, Deputy Chair

#### HOUSE OF ASSEMBLY

- Mr Mark Shelton MP
- Mr Rene Hidding MP, Chair
- Ms Jennifer Houston MP

The Commission met with the Joint Committee twice during the reporting period, in accordance with an inter-agency protocol.

## Office of the Parliamentary Standards Commissioner

The office of the Parliamentary Standards Commissioner is a statutory office established under the Act. Reverend Professor Michael Tate AO has held the office since its inception in 2010.

The role of the Parliamentary Standards Commissioner is independent of the Commission and provides advice about conduct, propriety and ethics to Members of Parliament and to the Commission.

## Our values

Our values establish the behaviours that are most important to us as an organisation and underpin our guiding statement.

- Respect
- Honesty
- Independence
- Accountability
- Professionalism
- Trust

*The Commission always acts in the public interest. We strive to be an agent for change and a positive influence for the Tasmanian public sector.*

# COMPLAINT HANDLING

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Reporting misconduct helps to ensure that:

- public authorities operate honestly, ethically and fairly;
- public money and resources are not wasted; and
- misconduct risks are identified so they can be dealt with and prevented.

This section deals with the Commission’s complaint handling function, primarily with regard to decisions made upon initial receipt of a complaint, the triage stage.

The Commission received 140 complaints of alleged public sector misconduct in 2018-19. Two complaints were carried forward from 2018-19 and were subsequently managed through triage. A further two complaints were under consideration at the end of the reporting period.

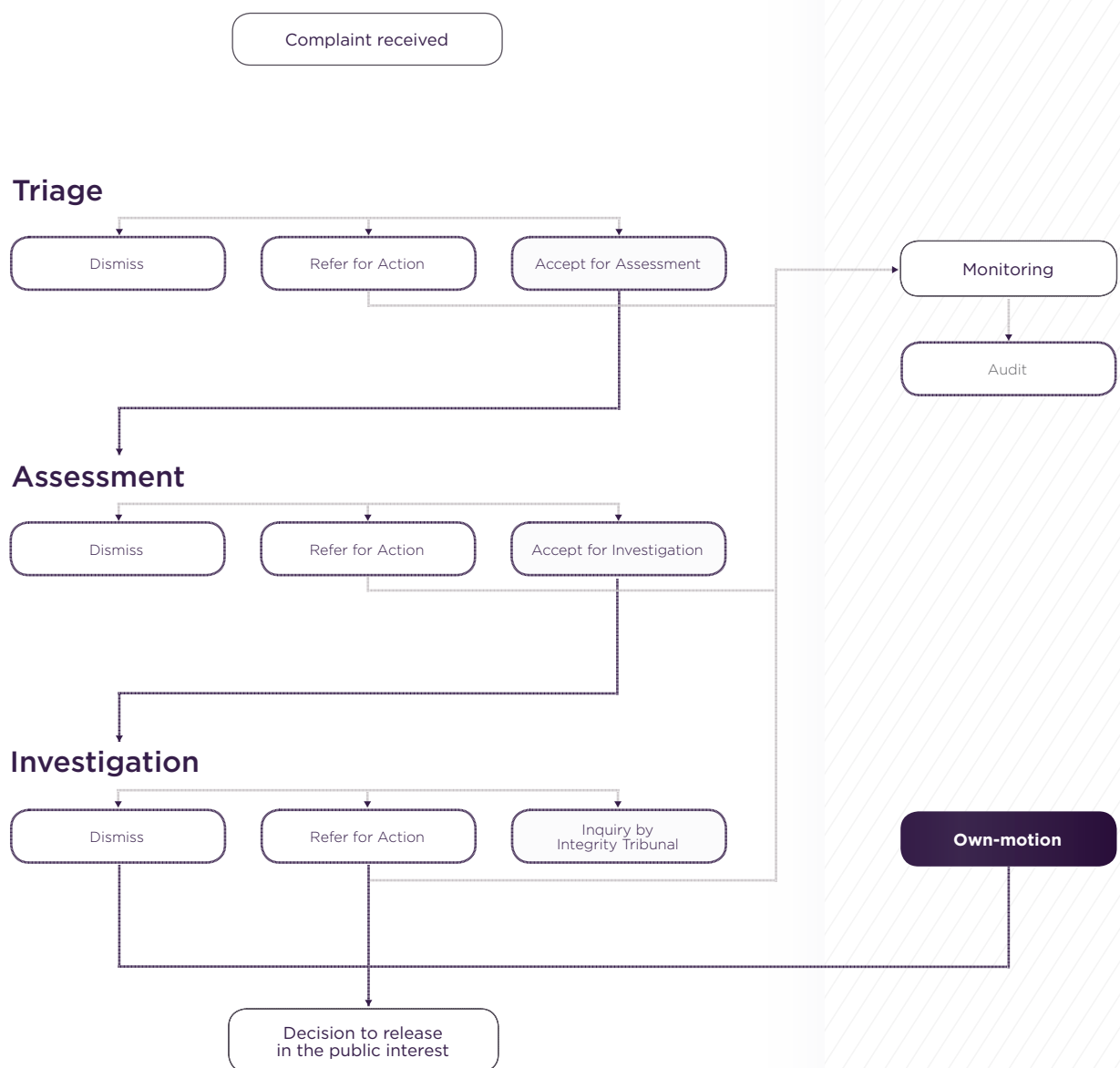
TABLE 2. COMPLAINTS RECEIVED

	2018-19	2017-18	2016-17
Complaints received	140	193	126

Making a complaint to the Integrity Commission is an **important** step in shining a light on public sector misconduct.



FIGURE 2. COMPLAINT HANDLING FLOWCHART





## Triage

Every complaint made to the Commission is carefully considered at the triage stage, which is the first step in complaint handling. The purpose of triage is to determine what action should be taken. As shown in Figure 2, triage has three potential outcomes: referral for action, dismissal, or acceptance of the complaint for further inquiries or investigation.

As with previous years, the Commission continued to accept a high proportion of matters for assessment, with 29% accepted this year (41).

TABLE 3. TRIAGE OUTCOMES

	2018-19	2017-18	2016-17
Dismissed	79	88	49
Referred for Action	20	42	30
Accepted for Assessment	41	57	27

## Dismissing complaints

The Commission may determine to dismiss a complaint upon initial receipt for the following reasons:

- it is not in the public interest for us to investigate the complaint;<sup>1</sup>
- investigating the complaint would be an unjustifiable use of resources;
- it does not relate to our functions;
- it lacks substance or credibility;
- it was not made in good faith; or
- it is frivolous or vexatious.

In addition, the Commission generally will not duplicate or interfere with work that it considers is being, or has been, undertaken appropriately by another public authority.

<sup>1</sup> Potential factors for determining the public interest are outlined in section 36(2) of the Act.

The Commission dismissed 79 complaints during 2018-19, consistent with the reasons outlined above.

## Referring complaints for action

Referring complaints for action is a key aspect of our complaint handling function, as prescribed in the Act. Complaints may be referred at triage on the basis of possible misconduct or where a public authority may need to consider relevant policies and procedures. We may also recommend that the matter be investigated.

Depending on the nature of the allegations, we may refer complaints for action to:

- an appropriate integrity entity, including a parliamentary integrity entity;
- the Commissioner of Police; or
- any other relevant public authority or person.

The Commission referred 20 complaints for action during 2018-19.

## Monitoring referred complaints

In accordance with the Act, we maintained oversight on the status of complaints that were referred elsewhere for action, including those referred after triage, assessment and investigation. This is an ongoing practice that enables us to assess whether appropriate action is taken and to monitor the capacity of public authorities to deal with misconduct. In some circumstances, we may determine to audit how the subject authority has handled the complaint.

During 2018-19, the Commission monitored 49 referred complaints and concluded three audits.



TABLE 4. AUDITS

	2018-19	2017-18	2016-17
Audits concluded	3	1	5
(Tasmania Police)	(2)	(0)	(4)

## Anonymous complaints

The Commission received 15 anonymous complaints during 2018-19, pursuant to section 33(1A) of the Act.

A further eight complaints were submitted by complainants who disclosed their names but made a complaint on condition of anonymity. In this situation, we are able to liaise with individuals while ensuring their identity is not disclosed externally.

TABLE 5. ANONYMOUS COMPLAINTS

	2018-19	2017-18	2016-17
Anonymous complaints	15	46	19
Condition of anonymity	8	21	13
Full details	117	126	94

## Public interest disclosures

Fifteen complaints were assessed as protected disclosures under the *Public Interest Disclosures Act 2002* (Tas) (the PID Act) during the reporting period. The Commission dealt with these matters in accordance with section 29A(a) of the PID Act.

Ombudsman Tasmania, as the authority responsible for administering the PID Act, did not refer any public interest disclosures to the Commission during the reporting period.

## Notifications

Public authorities are encouraged to notify the Commission when they receive an allegation of misconduct or undertake an internal misconduct investigation. The Commission received 50 notifications during 2018-19.

Notifications are a key element of our ongoing research into misconduct management, contributing insight into misconduct trends and risks. They also allow us to assist public authorities to improve their complaints management processes and effectively handle the matters they are dealing with.

TABLE 6. NOTIFICATIONS

	2018-19	2017-18	2016-17
Notifications	50	70	59
(Tasmania Police)	(35)	(28)	(35)



# INVESTIGATING MISCONDUCT

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This section discusses the Commission's investigative function, focussing on matters accepted for assessment and investigation during 2018-19. The Commission concluded 48 assessments, containing 160 allegations of public sector misconduct, and finalised six investigations.

In accordance with the objectives of the Act, and consistent with the findings of the independent five-year review,<sup>2</sup> we continued to focus our investigative resources on allegations of serious misconduct<sup>3</sup> and matters involving designated public officers.<sup>4</sup>

Consequently, this year we investigated allegations of serious misconduct involving several current and former Members of Parliament. The Board determined that it was in the public interest to release four reports in relation to these matters.

No integrity tribunals or hearings were convened during the reporting period. In addition, no recommendations were made in relation to the *Commissions of Inquiry Act 1995* (Tas).

<sup>2</sup> The Independent Five-year Review of the Act was concluded in 2016 by the Hon William Cox, AC RFD ED QC. The final review report is available at [www.integrityactreview.tas.gov.au](http://www.integrityactreview.tas.gov.au).

<sup>3</sup> Under the Act, serious misconduct means misconduct that could be a crime or an offence of a serious nature, or misconduct providing reasonable grounds for terminating a public officer's appointment.

<sup>4</sup> Designated public officer (DPO) is a term prescribed in section 5 of the Act. DPOs include Members of Parliament, members of a council, the principal officer of a public authority, statutory office-holders, commissioned police officers and senior executive officers.

**Entrusted** to  
impartially  
investigate  
public sector  
misconduct,  
we work to  
ensure that  
good decisions  
are defining  
the future of  
Tasmania.



## Assessments

Assessments are an important step in the Commission's investigative process. This step focusses on gathering preliminary and publicly available information and enables us to determine whether the allegations within a complaint warrant investigation.

We aim to complete assessments within 40 working days. During 2018-19, we maintained a median duration of 19 working days, consistent with 2017-18, and a continued improvement on previous years.

TABLE 7. ASSESSMENTS

	2018-19	2017-18	2016-17
Commenced	40	57	27
Concluded	48	49	22

## Assessment outcomes

Of the 48 assessments concluded during 2018-19, the Commission dismissed 31, referred seven for action and accepted ten for investigation.

TABLE 8. ASSESSMENT OUTCOMES

	2018-19	2017-18	2016-17
Dismissed	31	24	9
Referred for Action	7	2	4
Accepted for Investigation	10	8	9

## Investigations

Investigations are conducted for the most significant matters received by the Commission. Part 6 of the Act establishes the Commission's investigative processes and powers.

While we aim to undertake our investigative work expeditiously, misconduct investigations are often complex and the Commission's resources are limited. We take great care to ensure our procedural fairness obligations are met. As a result, investigations can take considerable time to complete. The median duration of concluded investigations during 2018-19 was 166 working days.

TABLE 9. INVESTIGATIONS

	2018-19	2017-18	2016-17
Commenced	10	8	9
Concluded	6	12	5

## Investigation outcomes

The Board is responsible for determining investigation outcomes, based on recommendations from the CEO.

In accordance with section 58 of the Act, the Board may decide to:

- dismiss the matter;
- refer the investigation report for action, along with any recommendations;
- require that the matter be further investigated;
- recommend that the Premier establish a commission of inquiry; or
- undertake an inquiry by an Integrity Tribunal.



After determining the outcome of an investigation, the Board considers the level of public interest in the matter, with a view to whether a public report should be tabled in Parliament. In making this decision, the Board takes into account the personal welfare, privacy and reputational concerns of the individuals involved, and whether these concerns outweigh the public interest.

Of the six investigations concluded in 2018-19, the Board dismissed three and referred three for action.

TABLE 10. INVESTIGATION OUTCOMES<sup>5</sup>

	2018-19	2017-18	2016-17
Dismissed	3	2	0
Referred	3	0	5
Commission of Inquiry	0	0	0
Integrity Tribunal	0	0	0

## Own-motion investigations

The Board determined to conduct two own-motion investigations during 2018-19, both of which were ongoing at the end of the reporting period.

TABLE 11. OWN-MOTION INVESTIGATIONS

	2018-19	2017-18	2016-17
Commenced	2	1	1
Concluded	0	2	0

<sup>5</sup> Investigation Eliza, which arose from four complaints, is counted as one investigation.

## Public reports

The Board determined to table four reports in the public interest in 2018-19: two full investigation reports, one summary report of an investigation and one summary report of an assessment.

Summaries of these matters are available in Appendix 1. Copies of the public reports are available at [www.integrity.tas.gov.au](http://www.integrity.tas.gov.au).

The Commission can only release investigation and summary reports by tabling them in Parliament.

TABLE 12. PUBLIC REPORTS

	2018-19	2017-18	2016-17
Public reports	4	5	3

## Routine publication of assessment and investigation summaries

Summaries of assessments and investigations concluded during 2018-19 are available in Appendix 1 and at [www.integrity.tas.gov.au](http://www.integrity.tas.gov.au). We continued to release high-level status updates for our ongoing matters on a bi-monthly basis.

## Oversight of Tasmania Police

The goal of our Tasmania Police oversight in 2018-19 was to conduct a full audit of complaints managed by police. However, the Commission determined to delay this audit for the following reasons:

- to allow Tasmania Police sufficient time to embed its new conduct and complaint management system, Abacus; and



- complaints management process improvements made by Tasmania Police since the Commission commenced its audit program.

Delaying the police audit allowed us to focus resources into other areas. Preparations for the full audit, scheduled to take place in 2019–20, are under way.

Police oversight across 2018–19 resulted in reviews of the management of:

- complaints against police referred by the Commission; and
- complaints notified to us by police – under the Memorandum of Understanding, police notify the Commission of all serious misconduct complaints and complaints made against police of inspector rank and above.

The Commission audited two police files in 2018–19, both of which involved high misconduct risk areas for police. We provided specific feedback on the findings of our audits.

## Powers

The Commission's investigative powers are set out in the Act. They include: issuing directions to attend and give evidence; entry, search and seizure; and use of surveillance devices.

These powers enable us to take specific action to advance and maintain the integrity of our investigations. As highlighted in Table 13, this usually involves serving notices requiring persons to attend to give evidence, and the production of documents or written information.

Generally our investigators conduct their work with as little formality and technicality as possible, as stipulated in the Act.

TABLE 13. USE OF INVESTIGATIVE POWERS<sup>6</sup>

	2018-19	2017-18	2016-17
Authorisation of external officers	1	2	3
Coercive notices	61	30	66
Power to enter premises	1	0	1
Search warrants	0	0	0
Surveillance device warrants	0	0	0

## Applications for warrants

In the same manner as a law enforcement agency, the Commission can apply for warrants under the *Police Powers (Surveillance Devices) Act 2006* (Tas) and *Search Warrants Act 1997* (Tas).

No applications for a surveillance device or search warrant were made during the reporting period.

## Inspection of registers

The Commission continued to maintain records obtained under the *Police Powers (Surveillance Devices) Act 2006*, in accordance with the requirements of that Act.

Ombudsman Tasmania conducted one inspection of these records and the associated register during the reporting period, as required by the legislation.

<sup>6</sup> One matter required authorisation of 22 coercive notices.



## Interagency liaison

In performing our complaint handling and investigative functions, we regularly liaise with other Tasmanian integrity and legal entities. We do this to ensure our decisions are efficient, effectual and judicious.

For this purpose, we maintained active Memoranda of Understanding (MoU) with the following entities during the reporting period:

- Local Government Division, Department of Premier and Cabinet;
- Office of the Director of Public Prosecutions;
- Ombudsman Tasmania;
- Tasmania Police; and
- Tasmanian Audit Office.

Principally, the MoUs allow us to share information about the matters we are handling, in the context of relevant jurisdiction.



## PREVENTING MISCONDUCT

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Along with complaint handling and investigations, misconduct prevention is a critical function of the Commission.

Under section 32 of the Act, principal officers are obligated to ensure public officers are provided with education and training relating to ethical conduct. We support principal officers to meet this requirement, as an important part of our prevention strategy. Capacity building underpins our activities at all levels, from developing resources and training programs, to handling complaints and making recommendations.

The Commission uses a range of methods to reach the public sector, including online resources and a regular newsletter. However, the primary method of capacity building is our outreach program. During 2018-19, we invested in developing resources to support us to continue to foster collaborative partnerships with public authorities and peak bodies, and enhance the accessibility of training and advice.

A full complement of prevention staff in 2019-20 will enable us to increase the breadth, depth and frequency of our engagement, fostering common purpose and capability across the public sector.

Through education, advice and support, we work with public authorities and public officers to **increase capacity** to prevent and respond to misconduct.



## Prevention highlights

Our Chief Commissioner, CEO and officers welcomed the opportunity to participate in a range of local and interstate events during the reporting period, including engagement with many public authorities for the first time.

The Commission delivered 34 presentations and workshops, reaching 681 people from 19 public authorities, various community-based organisations and the public.

A consolidated plan for 2019-20 demonstrates the evolving depth and scope of prevention strategies. Several initiatives progressed in the latter half of the reporting period will come to fruition during 2019-20 and beyond.

### Public sector leaders, elected representatives and boards

In partnership with the Local Government Association of Tasmania (LGAT) and other Tasmanian integrity entities, our CEO participated in a state wide pre-election roadshow in 2018 – reaching more than 70 prospective councillors – as well as a post-election roadshow for newly elected councillors.

In 2019, our CEO participated in LGAT's *Elected Members' Professional Development Weekend*, presenting to more than 60 delegates on managing conflicts of interest.

We continued to meet with public sector leaders and boards and this year increased our engagement with the Tasmanian State Service.

## Uniformed officers

The Commission contributed to the 2019 rotation of the Tasmania Prison Service *Correctional Officer Recruit Course*, reaching 26 prospective correctional officers.

In consultation with the Director of Prisons, the Commission delivered three *Managing and Investigating Misconduct* sessions, with participation by 51 managers and supervisors.

The Commission continued its involvement with the Tasmania Police Academy in 2018-19, contributing to multiple rotations of the Tasmania Police *Recruit Course* and *Sergeant Qualifying Course*. This year we reached 40 prospective police officers and 18 prospective police sergeants.

Our CEO presented at the 2018 *State Service Strategic Management Program* (S3MP) which, amongst other public officers, included a cohort from the Tasmania Police *Inspector Course*.

## Education delivery

The Commission delivered 34 presentations and workshops during 2018-19.

The focus of our education delivery remained on increasing awareness of the key misconduct risk areas in Tasmania, as well as promoting the role and functions of the Commission.

We also continued to deliver our popular *Managing and Investigating Misconduct* training program, with further topic-based short courses planned for 2019-20.



TABLE 14. EDUCATION DELIVERY

	2018-19	2017-18	2016-17
Total sessions	34	46	19
Total attendees	681	676	257

## Online training

The Commission decided to retire its online training programs during the reporting period, in preparation for the release of new and improved resources in 2019-20. The original three online programs, made available in 2015, were completed almost four thousand times by public officers from 25 public authorities.

The new online resources focus on the aspirational concepts of pride in public service and good decision-making. They will be launched during 2019-20, in conjunction with a new online education platform.

TABLE 15. ONLINE TRAINING

	2018-19	2017-18	2016-17
Ethical Decisions at Work	338	1241	158
Social Media at Work	36	120	32
Respect and Protect Information	34	173	69

## Advice and submissions

The Commission continued to provide advice on the development, integration and application of codes of conduct during the reporting period, as well as other relevant policies and instruments. Our officers continued to provide confidential advice in relation to conduct and propriety.

The Commission also provided submissions to two legislative review processes during 2018-19.

## Code of Conduct for Members of Parliament

The earlier parliamentary Joint Select Committee on Ethical Conduct first recommended a Code of Conduct for Members of Parliament in the 2009 report *Public Office is Public Trust*, in which they also recommended the establishment of the Integrity Commission.<sup>7</sup> The Commission made further recommendations in 2011 and again in 2016.

In November 2018, the Joint Standing Committee on Integrity, established under the legislation, tabled its third report relating to the development of a *Code of Conduct for Members of Parliament*, with the recommendation that the draft Code be adopted by Parliament.

The Joint Committee's recommendation was subsequently accepted, with the Code formally adopted by both the House of Assembly and Legislative Council.

The Code is available at [www.parliament.tas.gov.au](http://www.parliament.tas.gov.au).

## Review of the Electoral Act 2004

In July 2018, our CEO submitted a response to the Department of Justice's review of the *Electoral Act 2004* (Tas).

In response to Term of Reference 2,<sup>8</sup> his submission canvasses support for introducing state-based disclosure rules and provides suggestions as to how this might be achieved under the legislation.

The submission is available at [www.integrity.tas.gov.au](http://www.integrity.tas.gov.au).

<sup>7</sup> *Public Office is Public Trust* was tabled by the parliamentary Joint Select Committee on Ethical Conduct in 2009. The report is available at [www.integrity.tas.gov.au](http://www.integrity.tas.gov.au).

<sup>8</sup> '... whether state-based disclosure rules should be introduced, and, if so, what they should include ...'





## Review of the *Local Government Act 1993*

In February 2019, our CEO submitted a response to the review of the *Local Government Act 1993* (Tas), being undertaken by the Local Government Division, DPAC.

## Research

The focus of the Commission's research in 2018-19 remained on monitoring established and emerging misconduct risk areas, both locally and nationally, to inform the development of prevention resources and targeted advice.

### Community perceptions

We conducted the fifth and final Community Perceptions Survey in June 2019. The purpose of this research program has been to assess the perceptions and attitudes of the Tasmanian community in relation to:

- the standards of conduct and propriety in the Tasmanian public sector; and
- awareness of the Commission's role and functions.

Three thousand Tasmanians have participated in the survey since 2011. The results across the five surveys demonstrate a consistent increase in awareness of our role and functions, as well as recognition of the need for our organisation as part of Tasmania's future.

The Commission has gained important insights through this research, particularly with regard to understanding the impact of our investigation, prevention and communications activities on community perceptions.

A summary of the research program, representing the first ten years of the Commission, is available at [www.integrity.tas.gov.au](http://www.integrity.tas.gov.au).

## National Integrity System Project - Strengthening Australia's National Integrity System: Priorities for Reform

The Commission continued to be involved with the National Integrity System Project this year, with our CEO participating in several activities as a research team member.

Most notably, we made a submission to the National Integrity Survey conducted during August-September 2018. The survey forms an important part of Australia's second National Integrity System Assessment, a project funded by the Australian Research Council and involving lead partner Transparency International Australia (TI Australia).

More project information is available at [www.transparency.org.au](http://www.transparency.org.au).

## Global Corruption Barometer (Australia) survey

Griffith University published the Global Corruption Barometer (Australia) survey results in August 2018. In partnership with TI Australia, the survey aims to assess the impact of corruption on community confidence and trust in all levels of government.

The results demonstrate that two-thirds of Australian support the creation of a federal anti-corruption body, with Tasmania ranking second in its level of support, after South Australia. In addition, at a Tasmanian level, the results show that awareness of the Commission continues to strengthen.

The full survey results are available at [www.griffith.edu.au](http://www.griffith.edu.au).

## BUILDING OUR ORGANISATION

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### Our people

At 30 June 2019, the Commission employed 15.5 full-time equivalent (FTE) officers, including the Chief Commissioner and Chief Executive Officer. It also funded the role of the Parliamentary Standards Commissioner.<sup>9</sup>

The Commission is an agency for the purposes of the *State Service Act 2000* (Tas). Commission officers are required to comply with the State Service Code of Conduct and principles and, accordingly, receive relevant annual training.<sup>10</sup>

The Commission approved the secondment of two officers during 2018-19, while two officers resigned from their positions. Five officers joined the Commission on a fixed-term basis and participated in a comprehensive induction program.

<sup>9</sup> The organisational chart, available on page 11, shows the Commission's establishment at 30 June 2019.

<sup>10</sup> The *State Service Act 2000* (Tas) does not apply to the Chief Commissioner or the Board under the Act.

We are  
**committed**  
to fostering  
a supportive  
workplace and  
developing an  
effective,  
skilled and  
resilient  
workforce.



## Performance management

The Commission continued its performance management program in 2018-19, with all officers participating in the annual performance appraisal and development cycle.

The process, adapted from the Department of Justice performance management system, aims to:

- align individual performance with the Commission's operational and strategic plans;
- identify training and development opportunities; and
- maximise the potential of our staff.

## Tasmanian State Service Graduate Development Program

The Commission is a participant in the *Tasmanian State Service Graduate Development Program* (TasGRAD).

In 2019, we welcomed a Graduate Officer for three months to undertake a legal research project on behalf of the Board. The work was successfully completed in June 2019.

## Security vetting

In addition to the provisions of the *State Service Act 2000* (Tas), Commission officers hold a national security clearance, undertaken by the Australian Government Security Vetting Agency (AGSVA).

Authorised persons and contractors of less than three months undergo a Short Term Access security clearance process, also undertaken by AGSVA.

## Training and development

Our annual training plan outlines the training each staff member is required to complete during the reporting period. The plan is mapped against applicable legislation and industry standards and ensures that staff are aware of their obligations and maintain contemporary skills and knowledge.

In addition to mandatory training, the Commission facilitated 38 skill-based training and development opportunities during 2018-19.

## Conference participation

The Commission's officers maintained a high level of understanding of contemporary integrity issues and prevention approaches through participation in national and State conferences. In 2018-19, staff participated in the following events:

- 12th National Investigations Symposium, Sydney;
- 7th Independent Commission Against Corruption Symposium, Hong Kong;
- 2019 National Integrity Forum, "Tackling Corruption Together", Melbourne;
- 2018 Corruption Prevention Network Forum, Sydney;
- 2018 Local Government Association of Tasmania Conference, Hobart; and
- 2018 Anti-Corruption and Integrity Agencies' Lawyers' Forum, Perth.

The Commission was well-represented at local events during the reporting period, including the:

- 2018 WorkSafe Tasmania Conference;
- 2018 Australian Human Resources Institute National Convention & Exhibition;
- 2018 Records and Information Management Professionals Australasia inFORUM; and
- 2018 Tasmanian Association of Vocational Rehabilitation Providers Symposium.



## Workplace health and safety

In accordance with the requirements of the Australian Standard AS/NZ 4801 Work Health and Safety Management Systems, the Commission adopted the Department of Justice Work Health and Safety Management System (WHSMS) framework in 2016. We continued to operate under the framework in 2018-19, implementing specific policies and procedures as required.

The Commission is committed to continuously improving its standard of workplace health and safety (WHS). Renewed annually, our WHS Plan establishes our priorities and aims to identify opportunities for improvement. Outcomes delivered under the plan this year were:

- introduction of sit and stand desks for staff;
- ergonomic assessments for all new staff and other staff as deemed necessary;
- risk assessment of the Commission's facilities; and
- facilitated training for relevant staff relating to first aid, operating as a fire warden, mental health and wellbeing, and bullying and harassment awareness.

TABLE 16. INCIDENTS AND CLAIMS

	2018-19	2017-18	2016-17
Incident reports	1	0	0
Workers compensation claims	0	0	0

## Budget

The Commission operated with a budget of \$2.515m during 2018-19. We continued to monitor our budget closely, ensuring the most appropriate and efficient use of our resources.

As noted previously, the Commission approved the secondment of two staff members in 2018-19. One position, the Senior Misconduct Prevention Consultant, remained vacant, enabling us to fund a series of priority projects. Savings from delays in filling a further two vacant positions were diverted to other non-budgeted projects.

At the end of 2018-19, the Commission had a budget surplus of approximately \$6,800.00. Under section 8A(2) of the *Public Account Act 1986* (Tas), we secured Treasurer's approval to carry this surplus forward to fund aspects of developing a new online education module.

## Internal audit

The Commission established its Risk and Audit Committee in 2013, in response to Treasurer's Instruction 108 Internal Audit. The committee has four members, including one external committee members with specialist information technology skills. Our Director Corporate Services provides operational advice to the committee.

The role of the committee is to monitor and evaluate the Commission's processes relating to governance, financial reporting and information security, and to provide advice to the CEO and Board in that respect. The committee operates under a three-year Strategic Audit Schedule and supplementary annual work plan.



Key internal audit outcomes during 2018-19 include:

- completion of cyber and information security assessments of relevant business systems and processes;
- continuous review of related policies and procedures; and
- implementation of a revised Risk and Audit Committee Charter.

## Policy review

The Commission concluded a comprehensive review of its policies in 2018-19, resulting in the adoption of a streamlined policy framework. Several policies are available at [www.integrity.tas.gov.au](http://www.integrity.tas.gov.au).

## Information management and technology

The Commission enhanced its information management and technology capabilities during 2018-19. We upgraded our key business systems, including our case management system (Investigator Case Management) and electronic records management system (Content Manager).

Project documentation was developed for a number of technology-related projects, including the redevelopment of the Commission's public website and the implementation of a new online learning platform.

## Information security

During late 2017 and early 2018, the Tasmanian Government contracted HIVINT Pty Ltd to conduct a whole-of-government cyber security vulnerability assessment. The aim of the process was to identify possible web and email risks across government.

DPAC provided a copy of the report to the Commission in February 2018. Following receipt of the report, the Commission contracted HIVINT Pty Ltd to conduct a more thorough assessment of our web application vulnerability. HIVINT reported the outcomes of its assessment to the Commission in early 2019.

Several low-level weaknesses were identified during the assessment. These have been addressed with the assistance of the Department of Justice and third party organisations who support our business systems.

Commission staff participated in several DPAC workshops in early 2019 to support implementation of the Tasmanian Government Cybersecurity Policy being adopted across government.

As part of the implementation of the policy, the Commission has begun to establish an Information Security Management System, as prescribed by the broader Tasmanian Government Information Security Framework. This will meet policy requirements by identifying information security risks and documenting, addressing and reviewing associated actions taken by the Commission to address any risks.

## Communications

The Commission reviewed its website design and redeveloped all content during 2018-19 to ensure the site is user-friendly and easy to navigate. The work, which included a review of information-based resources and associated improvements to content and presentation, resulted in launch of the new website shortly after conclusion of the reporting period.



Seven media releases were issued in 2018-19 – five in conjunction with the tabling of reports in Parliament and two marking noteworthy developments. The Commission also published two newsletters.

### United Against Corruption: Joint communique marking Anti-Corruption Day

In December 2018, the Commissioners of eight independent, anti-corruption and law enforcement integrity agencies in Australia released a joint communiqué marking International Anti-Corruption Day on December 9.

The communiqué called on public sector leaders across the country to continue to build strong cultures of integrity that resist corruption. It is available at [www.integrity.tas.gov.au](http://www.integrity.tas.gov.au).

## Publications

The Commission released five publications in 2018-19. All publications are available at [www.integrity.tas.gov.au](http://www.integrity.tas.gov.au) and are catalogued in the Tasmanian Parliamentary Library, State Library of Tasmania and National Library of Australia.

TABLE 18. REGISTER OF PUBLICATIONS

Title	Date	Location	ISSN
Report 4 of 2018: Report of an investigation into allegations of misconduct by the (then) Minister for Human Services and her Chief of Staff	July 2018	Parliament	Yes
Integrity Commission Annual Report 2017-18	October 2018	Online	Yes
Report 5 of 2018: Report of an investigation of allegations of misconduct by Adam Brooks, MP	November 2018	Hard copy	Yes
Report 1 of 2019: Summary report of an assessment of allegations of misconduct by the Hon Sarah Courtney MP (when Minister for DPIPW and Minister for Racing) and the Secretary of DPIPW, Dr John Whittington	March 2019	Online	Yes
Report 2 of 2019: Summary report of an investigation into alleged misconduct by the Hon Michael Ferguson MP & the Hon William Hodgman MP, in relation to Cricket Australia employee, Angela Williamson	May 2019	Parliament	Yes

## Website

As noted previously, the Commission invested resources in updating and strengthening the presentation and content of its website. Significant progress was made during 2018-19, with the new education platform, scheduled to be launched in 2019-20 to complete the redevelopment.

The Commission's website had less traffic in 2018-19 than previous years, which can be attributed to the retirement of its online modules and online education platform.

TABLE 17. WEBSITE

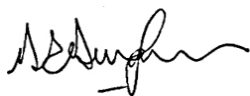
	2018-19	2017-18	2016-17
Visits	12,554	16,014	16,592
Views	41,883	56,331	49,736

## COMPLIANCE

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### Superannuation certificate

I, Richard Bingham, Chief Executive Officer of the Integrity Commission, hereby certify that the Integrity Commission has met its obligations under the *Superannuation Guarantee (Administration) Act 1992* (Cth) in respect of those employees of the Commission who are members of complying superannuation schemes to which the Commission, through the Department of Justice under a Service Level Agreement, makes employer superannuation contributions.



**RICHARD BINGHAM**  
CHIEF EXECUTIVE OFFICER  
15 OCTOBER 2019



## Compliance index

Table 19 sets out the Commission's legislative reporting requirements and refers to sections of this report where the relevant information is available.

The index complies with the annual reporting disclosure requirements of the:

- *Financial Management and Audit Act 1990* (FMAA);
- *Public Interest Disclosures Act 2002* (PIDA);
- *Right to Information Act 2009* (RTIA);
- *State Service Act 2000* (SSA);
- State Service Regulations (SSR); and
- various Treasurer's Instructions (TI).

TABLE 19. COMPLIANCE INDEX

Reporting requirement	Legislation	Page
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Strategic plan	SSR	8
Major initiatives	SSR	5
Organisational structure	SSR	8
Organisational chart	SSR	11
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Industrial democracy and employee participation	SSR	26
Occupational health and safety	SSR	28
Contracts and procurement	FMAA	32
Support for local business	FMAA	32

## Right to Information

The *Right to Information Act 2009* (Tas) allows individuals to apply for specific information from public authorities. Information about the Commission's complaint handling and investigation functions is exempt under section 6 of that legislation.

No RTI applications were received during 2018-19.

## Gifts, benefits and hospitality

The Commission received two token gifts during 2018-19, disclosures for which are available at [www.integrity.tas.gov.au](http://www.integrity.tas.gov.au). No further benefits or hospitality were received or offered.

In 2019, we began publishing offers of gifts, benefits or hospitality in real-time on our website.

## Complaints about the Commission

Complaints about the actions of Commission officers can be made to the parliamentary Joint Standing Committee on Integrity.

The Joint Committee did not refer any complaints to the Commission in this regard during 2018-19.

## Contracts and procurement

The Commission ensures that Tasmanian providers are given every opportunity to compete for its business. Our policy is to support local suppliers whenever they meet our criteria and offer the best value for money.





The Commission maintained its Service Level Agreement with the Department of Justice (DOJ) in 2018-19. Under the agreement, DOJ provides financial, human resource and technology advice and support. Adjusted for CPI, the cost of the SLA was \$182,003.00 in 2018-19.

The Commission awarded one contract with a value greater than \$50,000 during 2018-19. The Commission and the contractor mutually ended the contract early, with a portion of the deliverables being satisfactorily completed.

TABLE 20. CONTRACTS AWARDED

Name of Contractor	Location of Contractor	Description of Contract	Period of Contract	Total Value of Contract
Roar Film Pty Ltd	Hobart, Tas	Digital learning, video development	February to June 2019	\$58,410.00



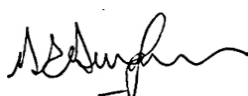
## FINANCIAL STATEMENTS

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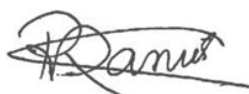
### Statement of Certification

The accompanying financial statements of the Integrity Commission are in agreement with the relevant accounts and records and have been prepared in compliance with Treasurer's Instructions issued under the provision of the *Financial Management and Audit Act 1990* (Tas) to present fairly the financial transactions for the year ended 30 June 2019 and the financial position as at the end of the year.

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



**RICHARD BINGHAM**  
CHIEF EXECUTIVE OFFICER  
26 SEPTEMBER 2019



**RACHAEL DANIELS**  
DIRECTOR CORPORATE SERVICES  
26 SEPTEMBER 2019



## Statement of Comprehensive Income for the year ended 30 June 2019

	Notes	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Continuing operations</b>				
<b>Revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue - recurrent	3.1	2 515	2 486	2 438
Other revenue from Government	3.1	-	27	-
<b>Total revenue and other income from transactions</b>		<b>2 515</b>	<b>2 513</b>	<b>2 438</b>
<b>Expenses from transactions</b>				
Employee benefits	4.1	1 867	1 693	1 754
Depreciation and amortisation	4.2	87	95	95
Supplies and consumables	4.3	488	587	499
Other expenses	4.4	191	214	217
<b>Total expenses from transactions</b>		<b>2 633</b>	<b>2 589</b>	<b>2 565</b>
<b>Net result</b>		<b>(118)</b>	<b>(76)</b>	<b>(127)</b>
<b>Comprehensive result</b>		<b>(118)</b>	<b>(76)</b>	<b>(127)</b>

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.



## Statement of Financial Position as at 30 June 2019

	Notes	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
<b>Assets</b>				
<i>Financial assets</i>				
Cash and deposits	8.1	37	45	68
Receivables	5.1	13	20	9
<i>Non-financial assets</i>				
Leasehold improvements and equipment	5.2	-	86	145
Intangible assets	5.3	54	62	85
Other assets	5.4	182	97	85
<b>Total assets</b>		<b>286</b>	<b>310</b>	<b>392</b>
<b>Liabilities</b>				
Payables	6.1	15	19	15
Employee benefits	6.2	350	323	316
Provisions	6.4	71	78	75
Other liabilities	6.5	-	7	27
<b>Total liabilities</b>		<b>436</b>	<b>427</b>	<b>433</b>
<b>Net assets</b>		<b>(150)</b>	<b>(117)</b>	<b>(41)</b>
<b>Equity</b>				
Accumulated funds		(150)	(117)	(41)
<b>Total equity</b>		<b>(150)</b>	<b>(117)</b>	<b>(41)</b>

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.



## Statement of Cash Flows for the year ended 30 June 2019

	Notes	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>				
<b>Cash inflows</b>				
Appropriation receipts - recurrent		2 515	2 493	2 465
GST receipts		-	72	73
<b>Total cash inflows</b>		<b>2 515</b>	<b>2 565</b>	<b>2 538</b>
<b>Cash outflows</b>				
Employee benefits		(1 836)	(1 683)	(1 738)
GST payments		-	(82)	(70)
Supplies and consumables		(488)	(611)	(486)
Other cash payments		(191)	(212)	(213)
<b>Total cash outflows</b>		<b>(2 515)</b>	<b>(2 588)</b>	<b>(2 507)</b>
<b>Net cash from (used by) operating activities</b>	8.2	<b>-</b>	<b>(23)</b>	<b>31</b>
<b>Net increase/(decrease) in cash held and cash equivalents</b>		<b>-</b>	<b>(23)</b>	<b>31</b>
<b>Cash and deposits at the beginning of the reporting period</b>		<b>37</b>	<b>68</b>	<b>37</b>
<b>Cash and deposits at the end of the reporting period</b>	8.1	<b>37</b>	<b>45</b>	<b>68</b>

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.



## Statement of Changes in Equity for the year ended 30 June 2019

	Accumulated Actual \$'000	Total Equity \$'000
<b>Balance as at 1 July 2018</b>	<b>(41)</b>	<b>(41)</b>
Total comprehensive result	(76)	(76)
Total	<b>(76)</b>	<b>(76)</b>
<b>Balance as at 30 June 2019</b>	<b>(117)</b>	<b>(117)</b>

	Accumulated Actual \$'000	Total Equity \$'000
<b>Balance as at 1 July 2017</b>	<b>86</b>	<b>86</b>
Total comprehensive result	(127)	(127)
Total	<b>(127)</b>	<b>(127)</b>
<b>Balance as at 30 June 2018</b>	<b>(41)</b>	<b>(41)</b>

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



## Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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## NOTE 1 COMMISSION OUTPUT SCHEDULES

### 1.1 OUTPUT GROUP INFORMATION

The Commission has a single Output called Integrity Commission which fulfils all of its statutory responsibilities. The summary of budgeted and actual revenues and expenses for this Output are the same as in the Statement of Comprehensive Income. Therefore, the inclusion of a separate Output Schedule is not necessary.

## NOTE 2 EXPLANATIONS OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OUTCOMES

Budget information refers to original estimates as disclosed in the 2018-19 Budget Papers and is not subject to audit.

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate or \$100,000. Budget information has not been subjected to audit.

### 2.1 STATEMENT OF COMPREHENSIVE INCOME

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Employee benefits	(a)	1 867	1 693	174	9
Supplies and consumables	(b)	488	587	(99)	(20)
Other expenses	(c)	191	214	(23)	(12)

#### Notes to Statement of Comprehensive Income variances

- (a) Actual salaries are less than budget due to two vacancies in the Misconduct Prevention Unit (a secondment from the Commission for 2018-19 and a delay in recruitment following resignation of an employee in February 2019). In addition some Commission staff elected to reduce their hours under workplace flexibility agreements.
- (b) The material variances in supplies and consumables are as follows:
- \$60,000 of the salary savings as noted in 2.1(a) were reallocated to consultants to develop a next generation online learning module, Integrity in the Public Sector, resulting in additional expenditure of \$55,000 on consultants.
  - Information Technology is \$17,000 in excess of budget due to upgrades of the Commission's case management system and electronic records management system, as well as the purchase of software not included in the budget.
  - Travel and transport is underspent by \$18,000 partly due to less travel undertaken by the Misconduct Prevention Unit (due to fewer staff as noted in 2.1(a)), as well as savings in motor vehicle lease and maintenance costs.
  - Other supplies and consumables consists of a number of account lines. The main variances relate to training resources associated with the online learning module noted above (\$26,000) and the purchase of ergonomic equipment (\$18,000).
- (c) The variance in other expenses includes \$7,000 to be carried forward under S8A(2) of the *Public Account Act 1986*, towards completion of the online learning module, and \$8,000 for a policy review project.

### 2.2 STATEMENT OF FINANCIAL POSITION

Budget estimates for the 2018-19 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2018-19. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2018-19. The following variance analysis therefore includes major movements between the 30 June 2018 and 30 June 2019 actual balances.





	Note	Budget \$'000	2019 Actual \$'000	2018 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and Deposits	(a)	37	45	68	8	(23)
Receivables	(b)	13	20	9	7	11
Leasehold improvements and equipment	(c)	-	86	145	86	(59)
Intangible	(d)	54	62	85	8	(23)
Other assets	(e)	182	97	85	(85)	12
Payables	(f)	15	19	15	(4)	(4)
Other liabilities	(g)	-	7	27	(7)	20

#### Notes to Statement of Financial Position variances

- (a) Cash and deposits are less at 30 June 2019 primarily due to appropriation which was carried forward in 2018 under S8A(2) of the *Public Account Act 1986*; \$20,000 for a Cyber Security Vulnerability Assessment project and \$7,000 towards the Commission's Web Redevelopment project.
- (b) GST receivable is higher at year end in 2019.
- (c) Leasehold Improvements are classified as Other Assets in the budget papers. There are no new equipment or leasehold improvements in 2018-19. The variation between 2018 and 2019 relates to depreciation charged.
- (d) There are no new intangible assets in 2018-19. The variation between actual 2018 and 2019 relates to amortisation charged.
- (e) As noted in 2.2(c) Other Assets include Leasehold Improvements in the budget papers.
- (f) Accrued expenses and creditors are higher at year end in 2019.
- (g) The unbudgeted item in other liabilities is the income received in advance for the approved carry forwards under S8A(2), refer 2.1(c) above.

### 2.3 STATEMENT OF CASH FLOWS

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
GST receipts	(a)	-	72	72	>100
Employee benefits	(b)	1 836	1 683	153	8
GST Payment	(a)	-	82	(82)	<100
Supplies and consumables	(c)	488	611	(123)	(25)
Other cash payments	(d)	191	212	(21)	(11)

#### Notes to Statement of Cash Flows variances

- (a) The budget did not include GST receipts or payments
- (b) Actual salaries are less than budget due to two vacancies in the Misconduct Prevention Unit (a secondment from the Commission for 2018-19 and a delay in recruitment following resignation of an employee in February 2019). In addition some Commission staff elected to reduce their hours under workplace flexibility agreements.
- (c) The material variances in supplies and consumables are as follows:
- \$60,000 of the salary savings as noted in 2.1(a) was reallocated to consultants to develop a next generation, online learning module, Integrity in the Public Sector, resulting in additional expenditure of \$55,000 on consultants.
  - Information Technology is \$17,000 in excess of the budget due to upgrades of the Commission's case management system and electronic records management system as well as the purchase of software.
  - Travel and transport is underspent by \$18,000 partly due to less travel undertaken by the Misconduct Prevention Unit (due to fewer staff as noted in 2.1(a) ), as well as savings in motor vehicle lease and maintenance costs.
  - Other supplies and consumables consists of a number of account lines. The main variances relate to training resources associated with the online learning module noted above (\$26,000) and the purchase of ergonomic equipment \$18,000).
- (d) The variance includes return of \$3,800 to the Department of Treasury and Finance from the 2018 Carry Forward under S8A(2) of the *Public Account Act 1986* which was not fully spent. This related to a Cyber Security Vulnerability Assessment project. In addition \$8,000 for a policy review project was not included in the budget.



## NOTE 3 INCOME FROM TRANSACTIONS

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

### 3.1 REVENUE FROM GOVERNMENT

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Commission gains control of the appropriated funds. Revenue from Government includes revenue from appropriations and appropriations carried forward under section 8A of the *Public Account Act 1986*.

The Budget information is based on original estimates and has not been subject to audit.

	2019 Budget \$'000	2019 Actual \$'000	2018 Actual \$'000
Appropriation revenue - recurrent Current year	2 515	2 486	2 438
	<b>2 515</b>	<b>2 486</b>	<b>2 438</b>
Revenue from Government - other Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	-	27	-
	<b>-</b>	<b>27</b>	<b>-</b>
<b>Total revenue from Government</b>	<b>2 515</b>	<b>2 513</b>	<b>2 438</b>

Section 8A(2) of the *Public Account Act* allows for an unexpended balance of an appropriation to be transferred to an Account in the Special Deposits and Trust Fund for such purposes and conditions as approved by the Treasurer. In the initial year, the carry forward is recognised as a liability, Revenue Received in Advance. The carry forward from the initial year is recognised as revenue in the reporting year, assuming that the conditions of the carry forward are met and the funds are expended.

## NOTE 4 EXPENSES FROM TRANSACTIONS

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

### 4.1 EMPLOYEE BENEFITS

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

#### (a) Employee expenses

	2019 \$'000	2018 \$'000
Wages and salaries	1 465	1 526
Superannuation - defined contribution schemes	174	172
Superannuation - defined benefit schemes	13	11
Other employee expenses	41	45
<b>Total</b>	<b>1 693</b>	<b>1 754</b>

Superannuation expenses relating to defined benefits schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.95 per cent (2018: 12.95 per cent) of salary.



Superannuation expenses relating to defined contribution schemes are paid directly to the relevant superannuation funds at a rate of 9.5 per cent (2018: 9.5 per cent) of salary. In addition, the Commission is also required to pay into to Treasury a "gap" payment equivalent to 3.45 per cent (2018: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

(b) Remuneration of Key management personnel

2019	Short-term benefits		Long-term benefits		Termination Benefits	Total
	Salary	Other Benefits	Super annuation	Other Benefits and Long-Service Leave		
	\$'000	\$'000	\$'000		\$'000	\$'000
<b>Key management personnel</b>						
Aziz Melick, Chief Commissioner (from 17 August 2015)	131	-	12	-	-	143
Richard Bingham, Chief Executive Officer	153	18	15	9	-	195
Luppo Prins, Board Member	16	-	1	-	-	17
David Hudson, Board Member (Resigned as at 25 July 2018)	1	-	-	-	-	1
Elizabeth Gillam, Board Member (Resigned as at 25 July 2018)	1	-	-	-	-	1
Robert Winter, Board Member (from 18 July 2018)	15	-	1	-	-	16
Phil Foulston, Board Member (from 18 July 2018)	15	-	1	-	-	16
<b>Total</b>	<b>332</b>	<b>18</b>	<b>30</b>	<b>9</b>	<b>-</b>	<b>389</b>

2018	Short-term benefits		Long-term benefits		Termination Benefits	Total
	Salary	Other Benefits	Super annuation	Other Benefits and Long-Service Leave		
	\$'000	\$'000	\$'000		\$'000	\$'000
<b>Key management personnel</b>						
Aziz Melick, Chief Commissioner	134	-	13	-	-	147
Richard Bingham, Chief Executive Officer	180	3	17	15	-	215
Luppo Prins, Board Member	15	-	1	-	-	16
David Hudson, Board Member	15	-	1	-	-	16
Elizabeth Gillam, Board Member	15	-	1	-	-	16
<b>Total</b>	<b>359</b>	<b>3</b>	<b>33</b>	<b>15</b>	<b>-</b>	<b>410</b>

<sup>1</sup>Other includes car and car parking benefits.

<sup>2</sup>Leave Benefits include movements in long service leave and annual leave.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the agency, directly or indirectly.

*Integrity Commission Board and Chief Executive Officer*

The Integrity Commission Board and Chief Executive Officer comprise the key management personnel at the Integrity Commission. The Board is chaired by the Chief Commissioner and has three appointed members.

Details of the Commission's remuneration arrangements for its key management personnel are as follows:

- The remuneration policy is in line with Senior Executive Service arrangements for the Chief Executive Officer, and instruments of appointment pursuant to and in accordance with sections 14 and 15 of the *Integrity Commission Act 2009* for the Chief Commissioner and the appointed Board members.
- In the case of the Chief Commissioner and the Chief Executive Officer, contractual arrangements allow for the provision of a motor vehicle superannuation contributions and reimbursement of reasonable expenses incurred on official business. Contractual arrangements allow for reimbursement for appointed Board members of reasonable expenses incurred on official business.



- The Chief Executive Officer is provided with car parking.
- Upon retirement, the Chief Executive Officer is paid employee benefit entitlements accrued to the date of retirement. In the event of any redundancy, the Chief Executive Officer is paid in accordance with their instrument of appointment.

#### (c) Related Party Transactions

There are no material related party transactions requiring disclosure.

## 4.2 DEPRECIATION AND AMORTISATION

All applicable Non-current assets having a limited useful life are systematically depreciated or amortised over their useful lives in a manner which reflects the consumption of their service potential. The Commission makes a judgement that all of its assets are consumed in an equal pattern over their useful life, and as a result depreciation and amortisation are provided for on a straight line basis, using lives which are reviewed annually. The useful lives of each class of asset are as follows:

Leasehold Improvements 10 years

Equipment 5 years

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Commission. Major amortisation rates are:

Software 5 years

	2019 \$'000	2018 \$'000
Leasehold improvements – amortisation	59	59
Intangibles – amortisation	23	23
Lease make-good – amortisation	13	13
<b>Total depreciation and amortisation</b>	<b>95</b>	<b>95</b>

## 4.3 SUPPLIES AND CONSUMABLES

	2019 \$'000	2018 \$'000
Audit fees – external financial audit	12	12
Audit fees – internal audit	11	6
Operating lease costs	195	195
Consultants	67	45
Property services	51	35
Communications	15	15
Information technology	111	92
Travel and transport	30	26
Advertising and promotion	2	1
Printing	-	9
Personnel expenses	38	14
Plant and equipment	27	16
Office requisites	3	7
Other supplies and consumables	25	26
<b>Total</b>	<b>587</b>	<b>499</b>

## 4.4 OTHER EXPENSES

Expenses from activities other than those identified above are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.



	2019 \$'000	2018 \$'000
Salary on costs	13	11
Corporate support provided by the Department of Justice	182	179
Other expenses	19	27
<b>Total</b>	<b>214</b>	<b>217</b>

## NOTE 5 ASSETS

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Commission and the asset has a cost or value that can be measured reliably.

### 5.1 RECEIVABLES

In 2017-18 receivables were recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables were not discounted back to their present value. In addition, receivables were subject to an annual review for impairment, where there was objective evidence that, as a result of one or more events that occurred after the initial recognition, the future cash flows have been affected.

From 2018-19, the Commission recognises receivables at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. The Commission recognises an allowance for expected credit losses for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, the Commission applies a simplified approach in calculating expected credit losses. The Commission recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Commission has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

The only receivables recognised by the Commission at 30 June 2019 (and 30 June 2018) relate to GST credits receivable from the ATO.

	2019 \$'000	2018 \$'000
Tax assets	20	9
<b>Total</b>	<b>20</b>	<b>9</b>
Settled within 12 months	20	9
<b>Total</b>	<b>20</b>	<b>9</b>

As the Commission does not generally have trade receivables, only Tax assets in any given year, there is no expected impairment or credit loss on those receivables.

### 5.2 LEASEHOLD IMPROVEMENTS AND EQUIPMENT

#### (i) Valuation basis

All Non-current physical assets are recorded at historic cost less accumulated depreciation and impairments if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. All assets within a class of assets are measured on the same basis.



When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold improvements and equipment.

(ii) *Subsequent costs*

The cost of replacing part of an item of leasehold improvements and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Commission and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day to day servicing of leasehold improvements and equipment are recognised in profit or loss as incurred.

(iii) *Asset recognition threshold*

The asset capitalisation threshold adopted by the Commission for non-current physical assets is \$10,000. Assets acquired at a cost of less than \$10,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(a) *Carrying amount*

	2019 \$'000	2018 \$'000
<b>Leasehold improvements</b>		
At cost	583	583
Less: Accumulated amortisation	(497)	(438)
<b>Total Leasehold improvements</b>	<b>86</b>	<b>145</b>
<b>Total Leasehold improvements and Equipment</b>	<b>86</b>	<b>145</b>

(b) *Reconciliation of movements*

2019	Leasehold Improvements \$'000	Total \$'000
<b>Carrying amount at 1 July</b>	<b>145</b>	<b>145</b>
Depreciation and amortisation expense	(59)	(59)
<b>Carrying amount at 30 June</b>	<b>86</b>	<b>86</b>

2018	Leasehold Improvements \$'000	Total \$'000
<b>Carrying amount at 1 July</b>	<b>204</b>	<b>204</b>
Depreciation and amortisation expense	(59)	(59)
<b>Carrying amount at 30 June</b>	<b>145</b>	<b>145</b>

### 5.3 INTANGIBLE ASSETS

An intangible asset is recognised where:

- it is probable that an expected future benefit attributable to the asset will flow to the Commission; and
- the cost of the asset can be reliably measured.

Intangible assets held by the Commission are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses.



(a) Carrying amount

	2019 \$'000	2018 \$'000
Intangible assets		
At cost	261	261
Accumulated amortisation	(199)	(176)
<b>Total Intangible assets</b>	<b>62</b>	<b>85</b>

(b) Reconciliation of movements

2019	Intangible Assets \$'000	Total \$'000
<b>Carrying amount at 1 July</b>	<b>85</b>	<b>85</b>
Depreciation and amortisation expense	(23)	(23)
<b>Carrying amount at 30 June</b>	<b>62</b>	<b>62</b>

2018	Intangible Assets \$'000	Total \$'000
<b>Carrying amount at 1 July</b>	<b>108</b>	<b>108</b>
Depreciation and amortisation expense	(23)	(23)
<b>Carrying amount at 30 June</b>	<b>85</b>	<b>85</b>

#### 5.4 OTHER ASSETS

Other assets comprise prepayments and lease make-good. Prepayments relate to actual transactions that are recorded at cost with the asset at balance date representing the un-utilised component of the prepayment.

	2019 \$'000	2018 \$'000
<b>Other current assets</b>		
Prepayments	85	60
<b>Total</b>	<b>85</b>	<b>60</b>
<b>Other non-current assets</b>		
Lease make-good	65	65
Less: accumulated amortisation	(53)	(40)
<b>Total</b>	<b>12</b>	<b>25</b>
Utilised within 12 months	97	60
Utilised in more than 12 months	-	25
<b>Total other assets</b>	<b>97</b>	<b>85</b>



## NOTE 6 LIABILITIES

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

### 6.1 PAYABLES

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Commission becomes obliged to make future payments as a result of a purchase of assets or services.

	2019 \$'000	2018 \$'000
Creditors	8	-
Accrued expenses	11	15
<b>Total</b>	<b>19</b>	<b>15</b>
Settled within 12 months	19	15
<b>Total</b>	<b>19</b>	<b>15</b>

Settlement is usually made within 30 days.

### 6.2 EMPLOYEE BENEFITS

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material. The Commission makes an assumption that all staff annual leave balances less than 20 days will be settled within 12 months, and therefore valued at nominal value, and balances in excess of 20 days will be settled in greater than 12 months and therefore calculated at present value.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The Commission makes a number of assumptions regarding the probability that staff who have accrued long service leave, but are ineligible to take it will remain with the Commission long enough to take it. For those staff eligible to take their long service leave, the Commission assumes that they will utilise it evenly over the following ten years. All long service leave that will be settled within 12 months is calculated at nominal value and all long service leave that will be settled in greater than 12 months is calculated at present value.

	2019 \$'000	2018 \$'000
Accrued salaries	13	12
Annual leave	97	99
Long service leave	213	205
<b>Total</b>	<b>323</b>	<b>316</b>
Utilised within 12 months	108	111
Utilised in more than 12 months	215	205
<b>Total</b>	<b>323</b>	<b>316</b>

### 6.3 SUPERANNUATION

#### (i) Defined contribution schemes

A defined contribution scheme is a post employment benefit scheme under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution schemes are recognised as an expense when they fall due.





(ii) *Defined benefit schemes*

A defined benefit scheme is a post employment benefit scheme other than a defined contribution scheme.

The Commission does not recognise a liability for the accruing superannuation benefits of Commission employees. This liability is held centrally and is recognised within the Finance General Division of the Department of Treasury and Finance.

#### 6.4 PROVISIONS

A provision arises if, as a result of a past event, the Commission has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any right to reimbursement relating to some or all of the provision is recognised as an asset when it is virtually certain that the reimbursement will be received.

	2019 \$'000	2018 \$'000
Provision for lease make-good	78	75
<b>Total</b>	<b>78</b>	<b>75</b>
Utilised in more than 12 months	78	75
<b>Total</b>	<b>78</b>	<b>75</b>

The lease make-good provision provides for work to be carried out at the expiry of the lease period in 2020, to restore the current premises to the original condition prior to fit out by the Commission. This provision is measured at present value.

#### 6.5 OTHER LIABILITIES

Other liabilities are recognised in the Statement of Financial Position when it is probable that the outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

	2019 \$'000	2018 \$'000
<b>Revenue received in advance</b>		
Appropriation carried forward from current and previous years under section 8A of the <i>Public Account Act 1986</i>	7	27
<b>Total</b>	<b>7</b>	<b>27</b>
Settled within 12 months	7	27
<b>Total</b>	<b>7</b>	<b>27</b>

Section 8A(2) of the *Public Account Act* allows for an unexpended balance of an appropriation to be transferred to an Account in the Special Deposits and Trust Fund for such purposes and conditions as approved by the Treasurer. In the initial year, the carry forward is recognised as a liability, Revenue Received in Advance. The carry forward from the initial year is recognised as revenue in the reporting year, assuming that the conditions of the carry forward are met and the funds are expended.



## NOTE 7 COMMITMENTS AND CONTINGENCIES

### 7.1 SCHEDULE OF COMMITMENTS

	2019 \$'000	2018 \$'000
<b>By type</b>		
<i>Lease Commitments</i>		
Operating leases	224	431
<b>Total lease commitments</b>	<b>224</b>	<b>431</b>
<i>Other commitments</i>		
Office cleaning contract	6	6
Other contracts	5	-
<b>Total other commitments</b>	<b>11</b>	<b>6</b>
<b>By maturity</b>		
<i>Operating lease commitments</i>		
One year or less	220	225
From one to five years	4	206
<b>Total operating lease commitments</b>	<b>224</b>	<b>431</b>
<i>Other commitments</i>		
One year or less	11	6
From one to five years	-	-
<b>Total other commitments</b>	<b>11</b>	<b>6</b>
<b>Total</b>	<b>235</b>	<b>437</b>

The Operating Lease commitments include leased accommodation, motor vehicles and information technology equipment leases. All amounts shown are inclusive of GST.

The Commission has entered into operating lease agreements for property and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

The Commission is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

### 7.2 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding the amount or timing of the underlying claim or obligation.

#### (a) Quantifiable contingencies

A quantifiable contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The Commission has no contingent assets or liabilities as at 30 June 2019.



## NOTE 8 CASH FLOW RECONCILIATION

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

The Commission has an overdraft facility on its account to allow for the delay in receiving reimbursement for GST payments from the Australian Taxation Office.

### 8.1 CASH AND DEPOSITS

	2019 \$'000	2018 \$'000
<b>Special Deposits and Trust Fund balance</b>		
T527 Integrity Commission Operating Account	45	68
<b>Total cash and deposits</b>	<b>45</b>	<b>68</b>

Cash and deposits include the balance of the Special Deposits and Trust Fund Account held by the Commission, and other cash held.

### 8.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2019 \$'000	2018 \$'000
Net result	(76)	(127)
Depreciation and amortisation	95	95
Decrease (increase) in Receivables	(11)	4
Decrease (increase) in Prepayments	(24)	(2)
Increase (decrease) in Employee entitlements	7	28
Increase (decrease) in Payables	4	2
Increase (decrease) in Provisions	3	4
Increase (decrease) in Other liabilities	(21)	27
<b>Net cash from (used by) operating activities</b>	<b>(23)</b>	<b>31</b>

### 8.3 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The Commission does not have any liabilities arising from financing activities.

## NOTE 9 FINANCIAL INSTRUMENTS

### 9.1 RISK EXPOSURES

(a) Risk management policies

The Commission has exposure to the following risks from its use of financial instruments:

- credit risk; and
- liquidity risk.



The Chief Executive Officer has overall responsibility for the establishment and oversight of the Commission's risk management framework. Risk management policies are continuing to be established to identify and analyse risks faced by the Commission, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Commission if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
<b>Financial Assets</b>		
Receivables	Receivables are recognised at amortised cost, less any expected credit losses, however, due to the short settlement period, receivables are not discounted back to their present value.	Receivables recognised by the Commission at 30 June 2019 relate to GST receivable from the ATO.
Cash and deposits	Deposits are recognised at amortised cost, being their face value.	Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund. The Commission has an overdraft facility on its account to allow for the delay in receiving reimbursement for GST payments from the ATO.

The Commission had no financial assets at either balance date that were past due or impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Commission will not be able to meet its financial obligations as they fall due. The Commission's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
<b>Financial Liabilities</b>		
Payables	Payables are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Commission becomes obliged to make future payments as a result of a purchase of assets or services.	Payables, including goods received and services incurred but not yet invoiced, arise when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. As per Treasurer's Instruction 1125 the Commission pays within suppliers' credit terms. Where no credit terms are specified, the Commission's policy is to pay within 30 days.

The following tables detail the undiscounted cash flows payable by the Commission by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2019

Maturity analysis for financial liabilities			
	1 Year \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
<b>Financial liabilities</b>			
Payables	19	19	19
<b>Total</b>	<b>19</b>	<b>19</b>	<b>19</b>



2018

Maturity analysis for financial liabilities			
	1 Year \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
<b>Financial liabilities</b>			
Payables	15	15	15
<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>

## 9.2 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

<b>AASB 9 Carrying amount</b>	<b>2019 \$'000</b>
<b>Financial assets</b>	
Cash and cash equivalents	45
Amortised cost	20
<b>Total</b>	<b>65</b>
<b>Financial Liabilities</b>	
Financial liabilities measured at amortised cost	19
<b>Total</b>	<b>19</b>
<b>AASB 139 Carrying amount</b>	<b>2018 \$'000</b>
<b>Financial assets</b>	
Cash and cash equivalents	68
Loans and receivables	9
<b>Total</b>	<b>77</b>
<b>Financial Liabilities</b>	
Financial liabilities measured at amortised cost	15
<b>Total</b>	<b>15</b>

## 9.3 COMPARISON BETWEEN CARRYING AMOUNT AND NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

	Carrying Amount 2019 \$'000	Net Fair Value 2019 \$'000	Carrying Amount 2018 \$'000	Net Fair Value 2018 \$'000
<b>Financial assets</b>				
Cash in Special Deposits and Trust Fund	45	45	68	68
Receivables	20	20	9	9
<b>Total</b>	<b>65</b>	<b>65</b>	<b>77</b>	<b>77</b>
<b>Financial liabilities</b>				
Accrued expenses	19	19	15	15
<b>Total financial liabilities</b>	<b>19</b>	<b>19</b>	<b>15</b>	<b>15</b>

### Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair value of receivables is recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

### Financial Liabilities

The net fair values for trade creditors are approximated by their carrying amounts.



## NOTE 10 EVENTS OCCURRING AFTER BALANCE DATE

The Public Sector Union Wages Agreement 2018 was registered by the Tasmanian Industrial Commission on 19 August 2019. As part of the terms of this Agreement, employees covered by the Tasmanian State Service Award, are entitled to receive an increase of 2.1 per cent per annum effective from the pay period commencing on 13 December 2018. The Commission is expecting to pay this retrospective increase in respect of the period from 13 December 2018 to 30 June 2019. The estimated amount of the payment is \$16,300.

## NOTE 11 OTHER SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS

### 11.1 OBJECTIVES AND FUNDING

The Integrity Commission (the Commission) was established by the *Integrity Commission Act 2009* and started operation on 1 October 2010 with its start-up phase being from June 2010. The Commission's role is to improve the standard of conduct, propriety and ethics in the public sector through:

- Education and training to prevent misconduct and develop resistance to misconduct;
- Building the capacity of the public sector to prevent and address misconduct;
- Providing an effective mechanism for misconduct complaints to be addressed; and
- Promoting integrity by providing advice on issues of integrity and ethical conduct across the public sector and developing codes of conduct.

The Commission's primary focus, under its legislation, is on education, advice and prevention of public officer misconduct to strengthen the confidence of Tasmanians in the capacity of the State's public authorities to operate ethically and with propriety.

The Commission also deals with complaints of misconduct which, in some instances, may lead to investigations, and has the power to monitor and audit internal investigation processes conducted by public authorities.

The Commission is overseen by a Board that comprises the Chief Commissioner and three other members, with specialist expertise.

The Commission's activities are classified as controlled as they involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Commission in its own right.

The Commission is funded through Parliamentary appropriations. The financial statements encompass all funds through which the Commission controls resources to carry on its functions.

### 11.2 BASIS OF ACCOUNTING

The Financial Statements were signed by the Chief Executive Officer and Director, Corporate Services on 26 September 2019.

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB); and
- The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

Compliance with the AAS may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Commission is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention.

The Financial Statements have been prepared on the basis that the Commission is a going concern. The continued existence of the Commission in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for the Commission's administration and activities. It is also noted that, because the Commission is not funded for depreciation or to meet employee annual or long service leave not taken in the normal course of events, support will be needed to fund asset replacements and leave entitlements as outlined.

### 11.3 REPORTING ENTITY

The Financial Statements include all the controlled activities of the Commission.



#### 11.4 FUNCTIONAL AND PRESENTATION CURRENCY

These Financial Statements are presented in Australian dollars, which is the Commission's functional currency.

#### 11.5 CHANGES IN ACCOUNTING POLICIES

##### (a) Impact of new and revised Accounting Standards

In the current year, the Commission has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- *AASB 7 Financial Instruments: Disclosures* – the objective of this Standard is to require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks. The amendments to this Standard have resulted in a reconciliation being required where there is a reclassification of financial assets or liabilities resulting from the adoption of AASB 9. The financial impact is minimal.
- *AASB 9 Financial Instruments* – the objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. AASB 9 has replaced accounting for impairment losses with a forward looking credit loss approach. The Commission has applied AASB 9 retrospectively and has not restated comparative information which was reported under AASB 139. The Commission's assessment for impairment of receivables at year end did not result in the recognition of any expected credit losses. This is consistent with the assessment in the prior year and, as a result, no adjustment was required to opening equity. For further details of the Commission's assessment for impairment of receivables refer to Note 5.1. The only change resulting from the introduction of AASB 9 was in the categorisation of receivables financial assets from loans and receivables under AASB 139, to amortised cost under AASB 9. Other categories remained unchanged. For further details on categories of financial assets and liabilities refer to Note 9.2.

##### (b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- *AASB 15 Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with 2015-8 Amendments to Australian Accounting Standards - Effective Date of AAS 15, this Standard applies to annual reporting periods beginning on or after 1 January 2019. The future impact is to enhance disclosure in relation to revenue from contracts with customers. There is no expected financial impact as the Commission is fully funded by government.
- *2014-5 Amendments to Australian Accounting Standards arising from AASB 15* – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 Revenue from Contracts with Customers. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. There is no financial impact expected as the Commission is fully funded by government.
- *AASB 16 Leases* – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities. This Standard applied to annual reporting periods beginning on or after 1 January 2019. The standard will result in most of the Commission's operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use of asset will be recognised, which will be amortised over the term of the lease. There are limited exceptions relating to low-value leases and short-term lease. Operating lease costs will no longer be shown. The Statement of Comprehensive Income impact of the leases will be through amortisation and interest charges. The Commission's current operating lease cost is shown in notes 71. In the Statement of Cash Flows, lease payments will be shown as cash flows from financing activities instead of operating activities. The financial impact is estimated to increase in assets and liabilities of \$224,000. Net movement at the end of the lease term will be nil.

#### 11.6 FOREIGN CURRENCY

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.



#### 11.7 COMPARATIVE FIGURES

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

#### 11.8 BUDGET INFORMATION

Budget information refers to original estimates as disclosed in the 2018-19 Budget Papers and is not subject to audit.

#### 11.9 ROUNDING

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

#### 11.10 COMMISSION TAXATION

The Commission is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax.

#### 11.11 GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the ATO is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

### NOTE 12 PRINCIPAL ADDRESS AND REGISTERED OFFICE

The Integrity Commission is located at:

Surrey House  
Level 2  
199 Macquarie Street  
Hobart TASMANIA 7000





## **Independent Auditor's Report**

### **To the Members of Parliament**

### **Integrity Commission**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

I have audited the financial statements of the Integrity Commission (the Commission), which comprise the statement of financial position as at 30 June 2019 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the Chief Executive Officer.

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the Commission's financial position as at 30 June 2019 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

#### **Basis for Opinion**

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Commission in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Commission's financial statements.

### **Responsibilities of the Chief Executive Officer for the Financial Statements**

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the financial reporting requirements of Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes such internal control as determined necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commission is to be dissolved by an Act of Parliament, or the Chief Executive Officer intend to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer.
- Conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

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Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief Executive Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Stephen Morrison  
**Assistant Auditor-General Financial Audit Services**  
**Delegate of the Auditor-General**

**Tasmanian Audit Office**

27 September 2019  
Hobart

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## APPENDIX 1. SUMMARIES

### 1. Investigation summaries

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### 2. Assessment summaries

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The Commission concluded 48 assessments and six investigations into alleged public sector misconduct during the 2018-19 reporting period. A total of 160 allegations were considered. Summaries of these 54 matters are provided in this Appendix.

Except for five matters that were released in the public interest, all matters discussed in this Appendix are closed.

Each summary includes a synopsis and the following attributes:

- The sector relevant to the matter;
- The level of the subject officer/s;
- The principal allegation/s considered during the matter; and
- The outcome of the matter.



## Investigation Summaries

TABLE 19. CONCLUDED INVESTIGATION SUMMARIES

Investigation Name	Sector	Level	Principal Allegation	Summary	Outcome
Field	Parliament of Tasmania	Designated Public Officer - Elected Representative	Misuse of power and authority, conflict of interest	<p>Investigation Field considered allegations that Mr Adam Brooks, MP – when Parliamentary Secretary for Small Business and Trade, and subsequently as Minister for Mining – failed to manage a conflict of interest relating to his public roles and private company, and that he failed to inform the Premier of this interest.</p> <p>The investigation identified no evidence to support allegations that Mr Brooks misused information or obtained an advantage for his private business, Maintenance System Solutions (MSS), in his public roles. In addition, Mr Brooks had no material conflict of interest in relation to his interest in MSS, and consequently had not breached the Ministerial Code of Conduct.</p> <p>However, the investigation found that Mr Brooks had ongoing involvement in the operation and management of MSS while a Minister. As a result, he had not complied with a protocol established by the Premier to address Mr Brooks' conflict of interest issues. Mr Brooks had failed to accurately inform the Premier about the true nature of his involvement in the business.</p> <p>The evidence showed that Mr Brooks deleted a number of MSS emails on the evening of 9 June 2016 without advising the Premier or the Crown Solicitor that he had done so.</p> <p>It was found that Mr Brooks had removed the emails due to genuine concerns about his family's privacy, his ongoing marital proceedings and the protection of private business information. However, Mr Brooks was also motivated by concern that the emails had potential to cause him political damage.</p>	<p>Referred to the Premier of Tasmania for action, subject to monitoring</p> <p>Report released in the public interest (Report 5 of 2018)</p>
Ireh	Parliament of Tasmania	Designated Public Officer - Elected Representative Public Officer	Misuse of power and authority	<p>Investigation Ireh considered allegations of misconduct by the Hon Jacqui Petrusma MP – then Minister for Human Services – and her chief of staff, Suzie Jacobson.</p> <p>The investigation was conducted following a complaint from the Hon Josh Willie MLC that a member of the Minister's staff had attempted to improperly influence the then-Commissioner for Children and Young People, Mark Morrissey, in performing his role.</p> <p>While it was clear that a misunderstanding had arisen between Ms Jacobson and the Commissioner, none of the four allegations against Ms Jacobson were found to have amounted to misconduct or a breach of relevant legislation.</p> <p>The investigation found that communication problems between Ms Jacobson and Mr Morrissey had contributed to the misunderstanding. It concluded that the relationship had not always been harmonious and had deteriorated over time.</p> <p>The investigation also found no factual basis for the allegations that Ms Petrusma adversely affected the performance of the Commissioner's powers or failed to respect his apolitical role.</p>	<p>Dismissed</p> <p>Report released in the public interest (Report 4 of 2018)</p>



Investigation Name	Sector	Level	Principal Allegation	Summary	Outcome
Oakleigh	Parliament of Tasmania Tasmanian State Service	Designated Public Officer - Elected Representative	Misuse of power and authority	<p>In 2018, the Commission investigated allegations that the Hon Michael Ferguson, MP – then Minister for Health – and the Premier, Hon Will Hodgman, interfered in the dismissal of a Cricket Australia employee.</p> <p>The investigation considered allegations that the Premier and the Minister exerted undue influence on either Cricket Tasmania, Cricket Australia or both organisations, leading to the dismissal of Cricket Australia employee, Angela Williamson, and that they had subsequently made false public statements about the matter.</p> <p>Ms Williamson's employment with Cricket Australia was terminated in June 2018 following a series of tweets criticising Government policy, including on abortion services.</p> <p>The investigation found that it was most likely the Cricket Tasmania Board had withdrawn its support for Ms Williamson because it had formed the opinion that she had damaged her relationship with the State Government. The decision was made independently of any government involvement.</p> <p>The Board determined to dismiss the matter and release a report in the public interest.</p>	Dismissed  Report released in the public interest (Report 2 of 2019)
King	Tasmanian State Service	Designated Public Officer - Statutory Officer	Misuse of power and authority for personal gain	<p>Investigation King considered allegations that a Statutory Officer failed to appropriately manage a conflict of interest during a procurement process and acted with favouritism when awarding contracts.</p> <p>Our investigation found that the subject officer failed to appropriately manage a conflict of interest when awarding a contract. However, we found that the subject officer did not purposefully set out to benefit the specific contractor and that the decision was based on merit.</p> <p>The Board determined to refer the substantiated allegation to the Principal Officer for action, subject to monitoring by the Commission.</p>	Referred to the Principal Officer for action, subject to monitoring
Frankland	Tasmanian State Service	Public Officer	Misuse of power and authority, conflict of interest in procurement	<p>Investigation Frankland considered allegations that a Public Officer misused their position to award a significant contract to a family member, that they had failed manage a conflict of interest in that context, misused information and public resources to gain an advantage. We also considered the actions of other Public Officers involved the situation.</p> <p>Our investigation identified several process-related issues relating to the management and disclosure of conflicts of interest. However, we found no evidence to substantiate the allegations and determined to dismiss the allegations.</p>	Dismissed
Weld	Local Government	Designated Public Officer - Principal Officer	Misuse of public resources	<p>Investigation Weld considered allegations that a Principal Officer misused public resources for personal gain and had improperly sold a public asset.</p> <p>Our investigation found that the subject officer had followed correct procedures in all instances. However, we identified a range of process-related issues relating to administration and finance for addressing by the public authority. Further issues were identified that were later referred to the Auditor-General.</p> <p>The Board determined to refer the matter to the Principal Officer for action.</p>	Referred to the Principal Officer for action, subject to monitoring



## Assessment summaries

TABLE 20. CONCLUDED ASSESSMENT SUMMARIES

Assessment Name	Sector	Level	Principal Allegation	Summary	Outcome
Alma (1) and (2)	Tasmanian State Service	Public Officer	Misuse of public resources, bullying and harassment	Assessments Alma (1) and (2) considered allegations that a Public Officer misused public resources and harassed and intimidated staff. Our assessment concluded that the Public Authority was best placed to further investigate the allegations. The complaints were later incorporated into an own-motion investigation.	Referred to the Principal Officer for Action, subject to monitoring
Anne	Tasmanian State Service	Public Officer	Misuse of power and authority, bullying and harassment	Assessment Anne considered allegations of harassment made against a Public Officer, and that a series of complaints about the matter had been improperly handled by managerial staff. Our assessment found that the allegations of harassment were being appropriately dealt with by the Public Authority and another entity. We referred the remaining allegations to the Principal Officer for action.	Referred to the Principal Officer for Action, subject to monitoring
Barn (1) and (2)	Local Government	Designated Public Officer - Elected Representative Public Officer	Misuse of power and authority, conflict of interest	Assessments Barn (1) and (2) considered allegations that multiple Elected Representatives and Public Officers misrepresented the benefits of a major project to the public and to private investors, and failed to manage conflicts of interest in this context. Our assessment found that related issues were being appropriately investigated by another entity and agreed that these allegations were best included in that investigation.	Dismissed
Boomer	Tasmanian State Service	Public Officer	Misuse of power and authority in procurement	Assessment Boomer considered allegations that multiple Public Officers misused their positions to improperly influence decisions in procurement and failed to manage conflict of interests in that context. Our assessment concluded that this matter required further inquiry and it was therefore accepted for investigation.	Accepted for Investigation
Cuvier	Tasmanian State Service	Public Officer Designated Public Officer	Misuse of public resources	Assessment Cuvier considered allegations that a Public Officer failed to act with due diligence in the performance of their role and misused public resources for personal gain. Our assessment concluded that this matter required further inquiry and it was therefore accepted for investigation.	Accepted for Investigation
Diamond	Local Government	Designated Public Officer - Elected Representative	Misuse of power and authority, conflict of interest in recruitment	Assessment Diamond considered allegations that a Senior Executive misused their position to improperly influence a recruitment process for personal gain and that multiple Elected Representatives had failed to manage conflicts of interest in this context. Our assessment concluded that this matter required further inquiry and it was therefore accepted for investigation.	Accepted for Investigation
Duncan	Local Government	Designated Public Officer - Principal Officer	Misuse of power and authority, bullying and harassment	Assessment Duncan considered allegations that a Principal Officer had misused their position to intimidate and bully an employee in retribution for the employee having publicly criticised the Public Authority. Our assessment found insufficient evidence to substantiate the allegations and we dismissed the complaint.	Dismissed
Edgecombe	Tasmanian State Service	Designated Public Officer - Elected Representative	Misuse of power and authority	Assessment Edgecombe considered allegations that a Senior Executive had improperly used their position to reverse a statutory decision based upon pressure from an Elected Representative and that a series of complaints about this matter had been improperly handled by the Public Authority. Our assessment found insufficient evidence to substantiate the allegations and we dismissed the complaint.	Dismissed
Eliza (1), (2), (3), (4)	Tasmanian State Service	Designated Public Officer - Senior Executive Public Officer	Misuse of power and authority, conflict of interest	Assessments Eliza (1), (2), (3) and (4) considered allegations that a Senior Executive failed to appropriately manage a conflict of interest and misused their position for personal financial gain. Our assessment concluded that this matter required further inquiry and it was therefore accepted for investigation.	Accepted for Investigation



Assessment Name	Sector	Level	Principal Allegation	Summary	Outcome
Florentine	Tasmanian State Service	Designated Public Officer – Senior Executive, Statutory Officer	Misuse of public resources, conflict of interest	<p>Assessment Florentine considered allegations that a Senior Executive and multiple Statutory Officers had released false reports, failed to manage a conflict of interest, misused their position to improperly influence decisions and improperly favoured particular individuals during an organisational restructure.</p> <p>Our assessment found that the conflict of interest allegations were being appropriately dealt with by the Public Authority. Further, we found that the Senior Executive had ended their public sector employment and it was not in the public interest to further investigate the matter.</p>	Dismissed
Frankland	Tasmanian State Service	Public Officer	Failure to manage a conflict of interest	Assessment Frankland considered allegations that a Public Officer had failed to appropriately manage a conflict of interest during a procurement process and had misused their position for personal financial gain. Our assessment concluded that this matter required further inquiry and it was therefore accepted for investigation.	Accepted for Investigation
Gould	Tasmanian State Service	Designated Public Officer – Senior Executive Public Officer	Misuse of public resources	Assessment Gould considered allegations against a Designated Public Officer and multiple Public Officers. The Commission had received complaints about the subject officers previously, all of which were referred to the Principal Officer for action. Our assessment of this further complaint found a possible systemic issue in management. The Board determined to initiate an own-motion investigation, combining all matters into one.	Dismissed
Granite	Tasmanian State Service	Public Officer	Misuse of public resources	Assessment Granite considered allegations of favouritism in recruitment. Our assessment concluded that the Public Authority was best placed to further investigate the allegations.	Referred to the Principal Officer for Action, subject to monitoring
Humboldt	Local Government	Designated Public Officer – Elected Representative Public Officer	Misuse of power and authority, conflict of interest	<p>Assessment Humboldt considered allegations that an Elected Representative was operating a personal business without obtaining appropriate development and regulatory approvals, and was improperly using their public position to promote the business. The complaint also alleged that certain Public Officers had improperly allowed the business to operate in these circumstances.</p> <p>Our assessment found no evidence suggesting the subject officer had or had attempted to use their position to gain an improper benefit. Further, we confirmed that another entity was investigating whether the business was operating with the required approvals.</p>	Dismissed
Ibsen	Tasmanian State Service	Public Officer	Misuse of power and authority	Assessment Ibsen considered allegations that multiple Public Officers had improperly facilitated the reclassification of land within a protected area to enable future development opportunities. Our assessment found no evidence of misconduct and we dismissed the complaint.	Dismissed
Ifould	Tasmanian State Service	Public Officer	Misuse of power and authority	Assessment Ifould considered allegations that a Public Officer had downgraded a sanction because of their personal relationship with the family of the recipient. Our assessment found that the subject officer had acted as a decision-maker only and no evidence to suggest they had any contact with the recipient's family. We dismissed the complaint on this basis.	Dismissed





Assessment Name	Sector	Level	Principal Allegation	Summary	Outcome
Jacob	Local Government	Public Officer	Misuse of power and authority	Assessment Jacob considered allegations that multiple Public Officers had misrepresented the completion of an infrastructure project and had acted inappropriately in this context. Our assessment concluded that the allegations were the result of a difference of opinion only and that there was no evidence of misconduct. We dismissed the complaint on this basis.	Dismissed
Jean	Local Government	Designated Public Officer - Principal Officer, Elected Representative	Misuse of power and authority for personal gain	Assessment Jean considered allegations that a Principal Officer and multiple Elected Representatives had misused their positions for personal financial gain and had favoured a particular contractor when awarding contracts. Our assessment found no evidence of misconduct and we dismissed the complaint.	Dismissed
King	Tasmanian State Service	Designated Public Officer - Statutory Officer	Misuse of power and authority, conflict of interest	Assessment King considered allegations that a Statutory Officer failed to appropriately manage a conflict of interest during a procurement process and acted with favouritism when awarding contracts. Our assessment concluded that this matter required further inquiry and it was therefore accepted for investigation.	Accepted for Investigation
Knuckle	Tertiary Education	Public Officer	Misuse of public resources	Assessment Knuckle considered allegations that multiple Public Officers had misused public resources by purchasing properties above market price. Our assessment found no evidence of misconduct and we dismissed the complaint.	Dismissed
Lot	Tasmanian State Service	Public Officer	Misuse of information, power and authority	Assessment Lot considered allegations that multiple Public Officers orchestrated a mass data breach and improperly accessed personal information. The complaint also alleged that managerial staff failed to take action and purposefully obstructed efforts to enforce disciplinary action.  Our assessment found that the Public Authority was in the process of handling related allegations. We dismissed the complaint, but requested that the Public Authority notify us about the action it takes.	Dismissed
Lyne	Tasmanian State Service	Public Officer	Failure to manage a conflict of interest	Assessment Lyne considered allegations that several Public Officers had acted with bias and partiality and failed to manage a conflict of interest. Of the eleven allegations considered, we found that some had been appropriately dealt with the Public Authority. Our assessment concluded that the Public Authority was best placed to investigate the further allegations.	Referred to the Principal Officer for Action, subject to monitoring
Macs (1) and (2)	Local Government	Designated Public Officer - Elected Representative Public Officer	Failure to manage a conflict of interest	Assessments Macs (1) and (2) considered allegations that multiple Elected Representatives and a Public Officer had failed to act impartially when awarding contracts. We found that the Public Authority was already appropriately dealing with some allegations. For the remainder of the allegations, we found that the actions of the subject officers did not amount to misconduct. We dismissed the complaint on that basis.	Dismissed
Nevis	Local Government	Designated Public Officer - Elected Representative	Misuse of public resources	Assessment Nevis considered allegations that an Elected Representative had failed to follow correct procedure and misrepresented details surrounding the sale of a significant public asset. Our assessment found that the subject officer had followed correct procedure and that there was no evidence of misconduct. We dismissed the complaint on that basis.	Dismissed
Oakleigh	Parliament of Tasmania	Designated Public Officer - Elected Representative	Misuse of power and authority	Assessment Oakleigh considered allegations that multiple Elected Representatives had misused their power and authority to influence a decision. Our assessment concluded that this matter required further inquiry and it was therefore accepted for investigation.	Accepted for Investigation



Assessment Name	Sector	Level	Principal Allegation	Summary	Outcome
Pavement	Government Business Enterprise	Designated Public Officer – Senior Executive Public Officer	Misuse of power and authority	Assessment Pavement considered allegations that a former Senior Executive and several Public Officers intentionally removed or omitted information to influence an investment decision. Our assessment found no evidence of misconduct and we dismissed the complaint.	Dismissed
Pleasant	Tasmanian State Service	Designated Public Officer – Senior Executive	Misuse of power and authority in recruitment	Assessment Pleasant considered allegations that a Senior Executive had misused their position and authority to secure a promotion for an associate. Our assessment found no evidence of misconduct and we dismissed the complaint. Some process concerns were identified and raised directly with the Public Authority.	Dismissed
Quarry	Local Government	Public Officer	Misuse of power and authority	Assessment Quarry considered allegations that Public Authority had acted outside of its jurisdiction and misused its powers to collect money. Our assessment found no evidence of misconduct and we dismissed the complaint. An underlying procedural matter was identified, but had been appropriately dealt with by the Public Authority.	Dismissed
Queen (1) and (2)	Tertiary Education	Designated Public Officer – Principal Officer	Misuse of public resources	Assessments Queen (1) and (2) considered allegations that a Public Authority failed to follow correct procedures and improperly paid above market value for several assets. Our assessment found no evidence of misconduct and we dismissed the complaint.	Dismissed
Ragoona	Tasmanian State Service	Designated Public Officer	Misuse of power and authority	Assessment Ragoona considered allegations that a Senior Executive misused their position to interfere with a process and improperly concealed information. Our assessment concluded that this matter required further inquiry and it was therefore accepted for investigation.	Accepted for Investigation
Ripple	Local Government	Designated Public Officer – Principal Officer	Misuse of power and authority for personal gain	Assessment Ripple considered allegations that a Principal Officer made false and misleading statements in a planning application. Our assessment found no evidence of misconduct and we dismissed the complaint. Some process concerns were identified and raised directly with the Public Authority.	Dismissed
Secheron	Parliament of Tasmania	Designated Public Officer – Elected Representative	Misuse of power and authority	Assessment Secheron considered allegations that multiple Elected Representatives orchestrated an improper financial arrangement with an industry group to benefit a public campaign and colluded to conceal the arrangement from the public. Our assessment found that this complaint was being appropriately dealt with by another entity.	Dismissed
Sedgwick	Local Government	Designated Public Officer – Elected Representative	Failure to manage a conflict of interest	Assessment Sedgwick considered allegations that an Elected Representative failed to manage a conflict of interest relating to their private business. Our assessment found that the allegations were being appropriately dealt with by another entity.	Dismissed
Stronach	Parliament of Tasmania	Designated Public Officer – Elected Representative, Principal Officer	Misuse of power and authority, bullying and harassment	Assessment Stronach considered allegations that an Elected Representative and Principal Officer misused their positions to harass a Public Officer, and that a Public Officer improperly disclosed confidential information to the community. Our assessment found no evidence of harassment, but concluded that Public Authority was best placed to further investigate the breach of confidentiality allegations.	Referred to the Principal Officer for Action, subject to monitoring
Tulloch	Tasmanian State Service	Designated Public Officer – Principal Officer, Senior Executive	Misuse of power and authority	Assessment Tulloch considered allegations that a Principal Officer had failed to investigate repeated allegations of assault. Our assessment found no evidence of misconduct and we dismissed the complaint.	Dismissed



Assessment Name	Sector	Level	Principal Allegation	Summary	Outcome
Vault (1) and (2)	Tasmanian State Service	Designated Public Officer – Senior Executive	Misuse of power and authority, bullying and harassment	Assessments Vault (1) and (2) considered allegations that a Senior Executive improperly managed several processes and bullied staff. Our assessment found that this matter was being appropriately dealt with by the Public Authority. We dismissed the complaints, but requested that the Public Authority notify us about the action it takes.	Dismissed
Wattle	Local Government	Public Officer	Misuse of power and authority, conflict of interest	Assessment Wattle considered allegations that a Public Officer had improperly used their position to procure consultancy services from their own private business. Our assessment found that the Public Authority had procured the services prior to hiring the subject officer, and that the conflict of interest was being managed appropriately.	Dismissed
William	Tasmanian State Service	Public Officer	Misuse of power and authority in procurement	Assessment William considered allegations that multiple Public Officers had improperly influenced a procurement process to benefit a particular contractor and a former colleague. Our assessment found no evidence of misconduct and we dismissed the complaint.	Dismissed
Yarlington	Parliament of Tasmania	Designated Public Officer – Elected Representative, Principal Officer	Failure to manage a conflict of interest	<p>Assessment Yarlington considered allegations of misconduct relating to a personal relationship between the Hon Sarah Courtney, MP – then Minister for Primary Industries and Water – and Dr John Whittington, Secretary of the Department of Primary Industries, Parks, Water and Environment.</p> <p>The focus of the Commission's assessment was on the processes, evidence and outcomes of a review conducted by DPAC Secretary, Jenny Gale. Further consideration was given to independent investigations conducted by:</p> <ul style="list-style-type: none"> <li>• barrister and former Commonwealth Director of Public Prosecutions, Damian Bugg AM QC, appointed by the Premier to investigate whether the Minister had breached the Ministerial Code of Conduct; and</li> <li>• barrister and former Solicitor-General of Tasmania, Leigh Sealy SC, engaged to determine whether Dr Whittington had breached the <i>State Service Act 2000</i> (Tas).</li> </ul> <p>The Commission found that the likelihood of improper conduct having occurred was low and that it would be an unjustifiable use of the Commission's resources to investigate further. After reviewing materials relating to the DPAC review and the two independent investigations, the Commission also concluded that all three processes had been independent and thorough.</p> <p>As Ms Courtney was found to have no material conflict of interest, the Commission dismissed allegations regarding the Premier's response to the matter, which involved reallocating Ms Courtney to the Resources and Building and Construction ministerial portfolios. The Commission noted that while there was no material conflict of interest, it was open for Mr Bugg to conclude that Ms Courtney had breached the Ministerial Code of Conduct based on a perceived conflict of interest and that, also, it was not a serious breach.</p>	Dismissed Report released in the public interest (Report 1 of 2019)
Youngbuck	Tasmanian State Service	Public Officer	Misuse of power and authority for personal gain	Assessment Youngbuck considered allegations that multiple Public Officers were improperly engaging in secondary employment. Our assessment found that this matter has and continues to be investigated appropriately by several other entities. We referred the allegations to the Principal Officer for action, with the recommendation that further investigations be undertaken and specific work areas be audited.	Referred to the Principal Officer for Action, subject to monitoring

**Contact the  
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