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Chairman's report

I am pleased to introduce the inaugural annual report of Queensland's Crime and Corruption Commission (CCC). The CCC commenced on 1 July 2014 with the introduction of the *Crime and Corruption Act 2001*.

The Crime and Corruption Act introduced changes to the Commission's governance structure and name (we were formerly the Crime and Misconduct Commission) as well as changes to our complaints management responsibilities. Significantly, jurisdiction in the area of public sector integrity moved from official misconduct and its prevention to a focus on serious and/or systemic corruption. As a consequence of these changes, the CCC received 40 per cent fewer complaints in 2014-15 than it did the previous year.

Also significant during the year was the impact of \$2.966 million in temporary funding to contribute to the government's initiative to combat criminal organisations, specifically outlaw motorcycle gangs. Most of this temporary funding ceased in December 2014 but to avoid stopping some important and productive initiatives, especially covert intelligence hearings, the CCC adjusted its priorities and budget to ensure these activities continued until the end of the financial year. As an outcome of our organised crime investigations, in partnership with the QPS, 61 OMCG members or their associates have been arrested this year.

In its first year of operation, the CCC finalised a number of long-running crime investigations, including a joint QPS investigation into the production and trafficking of crystal methamphetamine ("ice"), producing excellent results for law enforcement in Queensland. Corruption investigations have also produced significant results. In 2014-15, we completed 45 investigations. Of these, 91 per cent were completed within 12 months against a target of 85 per cent for that time frame.

This year we contributed to the Queensland Organised Crime Commission of Inquiry, which is looking at the extent and nature of organised crime in Queensland and the economic and social impacts of such activity. The CCC is providing input to the inquiry, which is to report to the Premier by 30 October 2015.

We are also developing a submission for the statutory review of the CCC's powers and operations by the Parliamentary Crime and Corruption Committee (PCCC). Their review is to be finalised by 30 June 2016. In our submission we intend to identify a number of areas where legislation unnecessarily constrains or limits our capacity to act to protect the public, or which could be amended to further improve our governance. We also recognise circumstances where legislative change could promote greater internal efficiency, achieve consistency in the exercise of our powers, and improve the prospects of bringing to account those engaging in corrupt or criminal conduct. Public submissions to the PCCC review close on 27 July 2015.

A key challenge for the CCC will be to remain responsive to anticipated government reform, including that related to organised crime. To support this activity, the CCC will continue to develop measures of performance that more clearly demonstrate the value and impact of its work.

Overall, the organisational changes implemented over the past 18 months or so have made the CCC a more focused and effective organisation. In a period of significant economic challenge, the CCC's expenditure has remained within its approved annual budget.

I would like to thank our Commissioners, senior leadership group and all staff for their exceptional dedication in ensuring that the transition to the new organisation was a smooth and successful one. I would also like to acknowledge the contribution of Professor Marilyn McMeniman, who is finishing her term as Acting Ordinary Commissioner at the end of June. I thank Mr George Fox, who finished his term as Acting Ordinary Commissioner in October 2014.

Looking forward, the CCC will welcome new acting Commissioners from 1 July 2015 while substantive Governor-in-Council appointments await endorsement. We expect that the substantive appointment of a new Chairman, Chief Executive Officer and part-time Commissioners will offer greater stability during this next year of consolidation. A strong leadership team will ensure that the CCC remains responsive to the needs of its stakeholders while maintaining the balance between day-to-day operational objectives and longer-term strategic goals.

Dr Ken Levy RFD
Acting Chairman
30 June 2015

Performance snapshot

Reducing the impact of major crime



28 major crime investigations finalised



\$18.316m in assets restrained



82 persons charged with 687 offences



\$8.375m forfeited to the state



\$4.462m worth of drugs seized



297 coercive hearing days held, including 75 days of intelligence hearings

Reducing the incidence of serious corruption



45 corruption investigations finalised



6 recommendations for disciplinary action made



55 persons charged with 200 criminal offences



4 hearing days held

An effective witness protection service



72 persons admitted to the witness protection program



100% of witnesses kept safe

Agency overview

The Crime and Corruption Commission is an independent statutory body established to reduce the incidence of major crime and public sector corruption in Queensland, and to provide the state's witness protection service. It focuses on those matters that have the greatest potential to threaten the safety and security of the Queensland community and erode the integrity of its public institutions.

Its crime jurisdiction enables it to investigate serious and organised crime such as drug trafficking, fraud, money laundering and networked paedophilia. Its corruption jurisdiction is broad and diverse,

including government departments, public sector agencies and statutory bodies, the Queensland Police Service (QPS), local governments, government-owned corporations, universities, prisons, courts, tribunals and elected officials.

To fulfil its mandate, the CCC gathers and disseminates intelligence, conducts investigations, recovers illegal gains from criminal activity, and publishes research. It has powers to gather evidence through covert surveillance activities, and to conduct coercive hearings that require witnesses to give evidence.

Our vision

That the CCC make a unique contribution to protecting Queenslanders from crime and corruption

Our purpose

To combat major crime and serious corruption

Our values

- Integrity
- Accountability
- Respect
- Excellence and innovation
- Collaboration



Our legislation and powers

The *Crime and Corruption Act 2001* sets out our agency's primary functions, powers and governance structure. Other legislation supports our functions by enabling us to recover criminal proceeds, protect witnesses, and gather evidence through searches and surveillance. This legislation includes:

- *Criminal Proceeds Confiscation Act 2002*
- *Police Powers and Responsibilities Act 2000*
- *Telecommunications Interception Act 2009*
- *Telecommunications (Interception and Access) Act 1979* (Cwlth)
- *Witness Protection Act 2000*.



Our stakeholders in Queensland

- All members of the Queensland public
- The Queensland Parliament, the Parliamentary Crime and Corruption Committee, the Parliamentary Commissioner, and the Attorney-General and Minister for Justice
- The Office of the Director of Public Prosecutions (ODPP), the Public Trustee, the Queensland Audit Office, the Privacy Commissioner, the Information Commissioner and the Queensland Ombudsman
- Public sector agencies including government departments, tribunals, courts, local governments, government-owned corporations, universities and state politicians
- The Queensland Police Service.



Our people

As at 30 June 2015, the CCC had 336.6 full-time equivalent staff, including lawyers, investigators, financial and intelligence analysts, social scientists and support officers.

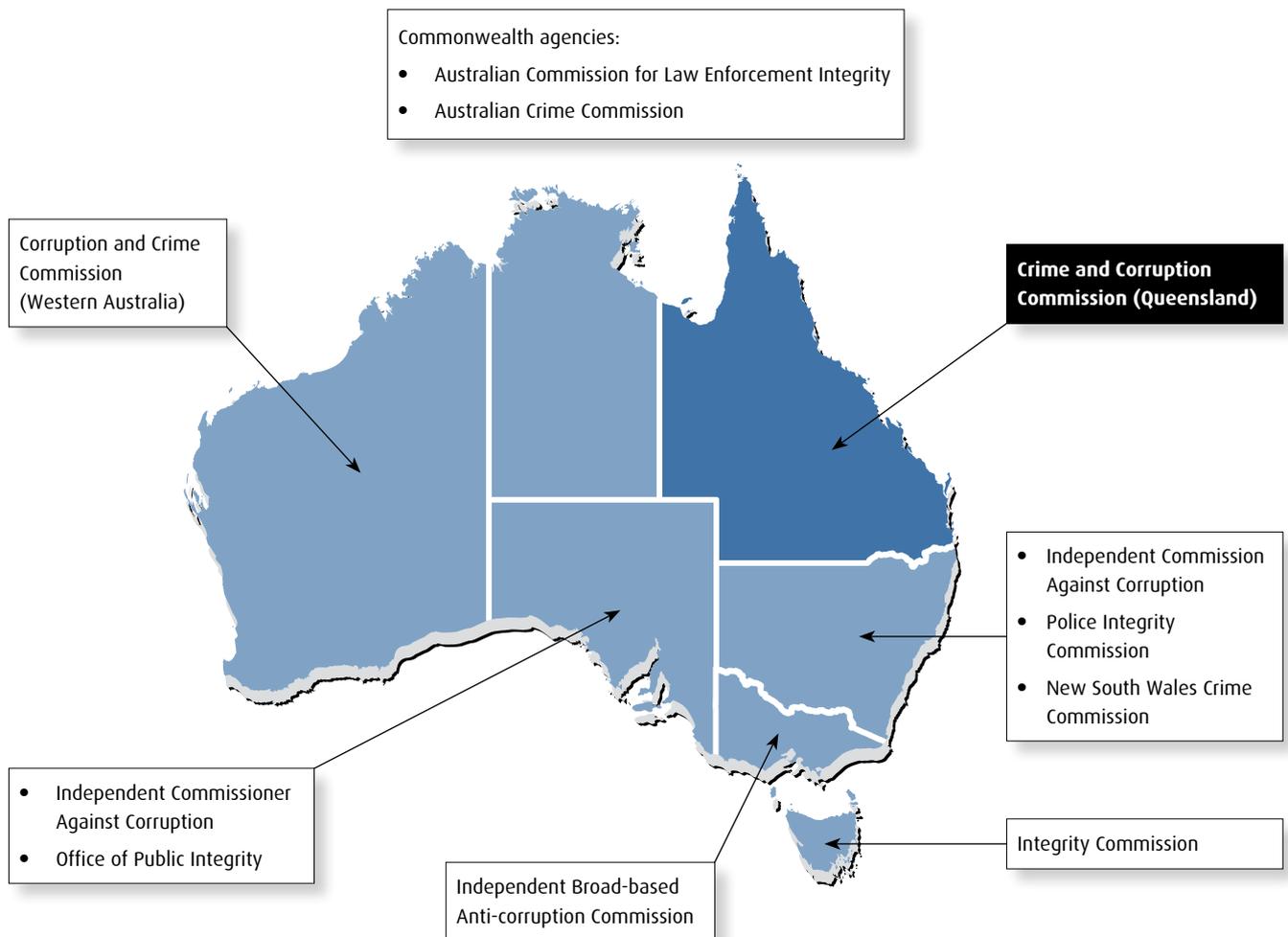


Our finances

The CCC's revenue for 2014–15 was \$54.859m. Expenditure was \$54.643m, resulting in an operating surplus of \$216 000.

Our agency in a national context

The CCC works closely with peer agencies elsewhere in Australia, as well as cooperating with Australasian and international agencies in relation to crime, corruption, intelligence and witness protection.



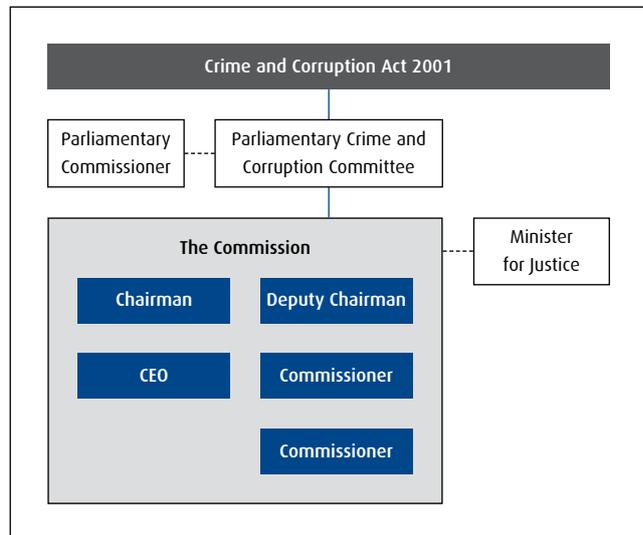
Agency overview

Our Commission structure

The CCC is led by a five-member group referred to as “the Commission”. The Commission is responsible for providing strategic leadership and direction for the performance of the agency’s functions and the exercise of its powers by the Chairman, CEO and other staff.

Although independent of the government of the day, the CCC is fully accountable to the people of Queensland through the Parliamentary Crime and Corruption Committee. This is an all-party committee that monitors and reviews CCC activity and deals with complaints against it. The CCC also provides six-monthly performance reports to the Minister.

 See organisational structure, page 33.



Commission members as at 30 June 2015

CHAIRMAN (Acting)

Dr Ken Levy RFD

Dr Levy has extensive experience in public sector leadership roles, professional practice, and research and teaching. He holds an appointment as an Adjunct Professor of Law at Bond University, and has been a part-time Senior Member of the Administrative Appeals Tribunal since 2004. Dr Levy has served as the Queensland and National President of CPA Australia and as a Lieutenant Colonel with the Australian Army Reserve.

CHIEF EXECUTIVE OFFICER (Acting)

Ms Dianne McFarlane

Ms McFarlane holds a Bachelor of Arts degree from the University of New South Wales and a Bachelor of Laws from the Queensland University of Technology. Ms McFarlane has worked across the public and the private sectors and has extensive experience as a human resources practitioner specialising in industrial relations.

DEPUTY CHAIRMAN

Mr Sydney Williams QC

Mr Williams was admitted to the Queensland Bar in September 1975 and as a barrister in Papua New Guinea later that year. Mr Williams took silk in 1986. Since then he has been in continuous practice as a barrister, focusing on insurance and personal injury litigation. Mr Williams was a member of the University Squadron of the Royal Australian Air Force Reserve and subsequently was commissioned into the Reserve as a Legal Officer, retiring with the rank of Squadron Leader.

ORDINARY COMMISSIONER (Acting)

Professor Marilyn McMeniman AM

Professor McMeniman has held academic positions at both the University of Queensland and Griffith University. She has provided advice to governments, industry, the wider education sector and the community, and has co-authored major national and state reviews and reports. In 1997, Professor McMeniman was made a Member of the Order of Australia for services to education, and in 2007 she received the Zonta Woman of Achievement Award.

All Commission appointments took effect from 1 July 2014 with the introduction of the Crime and Corruption Act.

Performance scorecard

Our performance against the objectives in the CCC 2014–18 strategic plan is detailed below, as are outcomes against the service standards published in the State Budget Service Delivery Statements (SDS). Our services link to the Queensland Government’s objectives for the community, specifically those related to integrity and accountability.

Additional strategic plan performance indicators included in the CCC’s 2014–18 strategic plan will take effect after 1 July 2015.

 See www.ccc.qld.gov.au/strategicplan for the 2014–18 strategic plan.

Our progress in 2014–15

Objective: REDUCE THE IMPACT OF MAJOR CRIME IN QUEENSLAND

Performance indicator: Percentage of targeted major crime disrupted

SDS service area: Crime fighting and prevention



Read more,
pages 12–16, 26–30

The CCC investigates serious and organised crime, and recovers proceeds from criminal activities. See the appendix for our results in these areas from 2010–11.

SDS service standard	Target	Result	Target met
Percentage of targeted criminal entities which are disrupted as a result of CCC investigations	95	100	✓
Net value of criminal proceeds restrained (\$'000)	18 000	18 316	✓
Net value of assets forfeited (\$'000)	7 000	8 375 ¹	✓
Percentage of coercive hearings which add value to major crime investigations	95	100	✓

1. Target exceeded due to an increased number of high-value matters finalised prior to 30 June 2015.

Other results	Target	Result	Target met
Number of tactical operations undertaken	30	35	✓
Percentage of investigations undertaken jointly with other law enforcement agencies	80	97	✓
Number of intelligence projects undertaken	12	12	✓
Number of criminal proceeds restraining orders obtained	60	63	✓
Number of proceeds matters finalised	30	36	✓
Percentage of Crime research targets achieved	100	n/a ²	-

2. This activity relates to research projects detailed in the CCC 2014–16 Research Plan. As at 30 June 2015, no ministerial approval for the plan had been received. Consequently, performance against this target cannot be assessed. Details of our broader research activities can be found on page 30.

Our progress in 2014–15

Objective: REDUCE THE INCIDENCE OF SERIOUS CORRUPTION IN THE PUBLIC SECTOR

Performance indicator: Timely and effective investigations

SDS service area: Public sector integrity

 Read more,
pages 17–30

The CCC receives and investigates allegations of serious corruption, and monitors how other public sector agencies manage allegations of corrupt conduct. See the appendix for our results in these areas from 2010–11.

SDS service standard	Target	Result	Target met
Percentage of recommendations to agencies accepted	85	96	✓
Percentage of investigated matters finalised within 12 months	85	91	✓

Other results	Target	Result	Target met
Number of serious matters retained for CCC investigation	50	48 ¹	X
Number of intelligence projects targeting high-risk corruption matters completed	5	5	✓
Percentage of investigations reviewed at completion of the initial investigation stage	100	100	✓
Median days to finalise a review matter	15	13	✓
Percentage of Corruption research targets achieved	100	n/a ²	-
Implementation of the Corruption Audit Plan	Completed	Completed	✓
Implementation of the Case Categorisation and Prioritisation Model	Completed	Completed	✓

1. Before embarking on an investigation, the CCC uses a case categorisation model for all matters that are reported to it and assessed as raising a suspicion of corrupt conduct. The CCC retains the most serious and/or systemic matters for investigation. The remaining matters are referred to agencies to deal with and are subject to the CCC's monitoring role, which may include a review of how the agency dealt with the matter either before or after it has been finalised.
2. This activity relates to research projects detailed in the CCC 2014–16 Research Plan. As at 30 June 2015, no ministerial approval for the plan had been received. Consequently, performance against this target cannot be assessed. Details of our broader research activities can be found on page 30.

Our progress in 2014–15

Objective: AN EFFECTIVE WITNESS PROTECTION SERVICE

Performance indicator: Responsiveness of service provided

SDS service area: Witness protection



Read more,
page 31

The CCC provides protection for eligible people who are in danger as a result of helping a law enforcement agency. See the appendix for our results in this area from 2010–11.

SDS service standard	Target	Result	Target met
Median time to conduct initial witness protection assessment	48 hours	23 hours ¹	✓

1. Target exceeded due to the closer geographical location of applicants, our operational workload allowing a more immediate response, and the increased capability of law enforcement to deliver applicants within shorter time frames.

Other results	Target	Result	Target met
Percentage of protected persons whose safety is maintained	100	100	✓
Number of applications for witness protection assessed	100	129 ²	✓
Number of persons admitted into the witness protection program	50	72 ²	✓
Percentage of protected persons who meet their court commitments	100	100	✓

2. Witness protection is a voluntary program. Admission to the program is dependent on requests made by law enforcement agencies, principally the QPS. This year we received an increase in the number of applications from the QPS, resulting in an increase in the number of persons admitted to the program.