

Objective:

Demonstrate organisational excellence using a skilled, committed workforce

Organisational excellence is about achieving and sustaining superior performance that meets stakeholder expectations. We continued to develop our leadership and management capability during 2010–11 and undertook a major initiative to review and strengthen our governance framework. The review provided a foundation for improved transparency, efficiency and accountability across the organisation.

We also broadened the professional development opportunities available to managers to help them respond effectively to change and engage more fully with staff. We recognise that senior management plays a key role in inspiring a shared vision for the future and fostering a culture of innovation and collaboration.

One challenge we face in developing a skilled and dynamic workforce is attracting suitable applicants to vacant positions. In 2010–11 we had a measure of success by filling three-quarters of advertised vacancies from the pool of available applicants.

To enhance our online communication channels, we have dedicated resources to revitalising our website and intranet pages. As a result of this work, we have seen an unexpectedly high increase in downloads and a more modest increase in the number of visits to our website.

This year we have also focused on strengthening our financial management and decision-making processes, including trialling activity-based costing of our core business services to better manage operational performance, sustainability and resources.



Editor Judith Cheyne and graphic designer Stephen Patch work with Melanie Formosa, project manager (centre), on the website and intranet redevelopment. For more information on CMC communications, see pages 58–59.

Our people

A diverse and talented group of employees – qualified respectively as lawyers, police, accountants, investigators, intelligence analysts, social scientists, computing specialists, support officers and corporate specialists – ensures that the CMC is able to undertake its core business and meet its strategic priorities.

Staff profile

During 2010–11 the number of established permanent positions increased by six to 337 positions as a result of organisational structure reviews of several functional areas. This represented an increase of 11.25 in full-time equivalents (FTEs). Table 10 provides the allocation of these positions across the functional areas compared to last year.

The permanent team comprises full-time employees (87%) and part-time employees (13%).

Workforce planning, attraction and retention

Our workforce management committee was disestablished during the year, and its responsibilities were incorporated within our newly created Human Resources Customer Service Delivery Framework. This was designed, in part, to ensure that workforce planning aligned with the specific needs of each functional area.

This year our permanent employee retention rate was 89 per cent. Our permanent employee separation rate was 14.8 per cent compared to 12.7 per cent last year. We are unable to compare this with the public service annual turnover because the Public Service Commission only provides quarterly figures based on separations from the

public service as a whole and not on separations from individual public sector agencies. By contrast, the CMC counts as a separation any permanent or contracted staff member leaving the agency, whether or not the person moves to another public sector agency.

A number of factors may have contributed to the increase in staff turnover. Our staff often have highly specialised and transferable skills that are valued by other employers offering opportunities and benefits that we cannot always match. To combat this situation, we are developing a range of strategies to ensure we have a pool of employees with the appropriate skills and experience required to compete for more senior vacancies as they arise. Success in this will see us preserve our corporate knowledge and ensure the professional development and progression of our competent staff.

The Act under which we operate also contributes to staff turnover as some senior positions carry statutory limits on the tenure of officeholders. In 2010–11 a number of our senior staff reached their contract-end date; next year others will meet the limits of their tenure and similarly affect the turnover for 2011–12. Further, one senior staff member was subject to suspension and three officers had their employment terminated early.

Despite these difficulties we were successful in filling over 75 per cent of our advertised vacancies from the pool of applicants available. These appointments represented a promotional opportunity for 23 per cent of permanent employees and resulted in 32 new permanent employees joining the CMC to commence or enhance their careers, and 22 internal employees being promoted.

Table 10. Workforce profile

Functional area	Permanent positions		Full-time equivalents*	
	30 June 2010	30 June 2011	30 June 2010	30 June 2011
Crime	49	50	49.4	47.8
Intelligence	32	35	30.4	31.8
Misconduct	90	95	81.3	97.2
Research	30	27	24.1	21.1
Witness Protection and Operations Support	55	53	51.9	53
Corporate Support (including the Executive, Office of the Commission and Corporate Services)	75	77	76.4	73.85
Total	331	337	313.5	324.75

* Full-time equivalents includes all permanent, temporary and casual staff.

We continued to focus on increasing the attractiveness of the CMC as an employer by simplifying the application process and creating a pool of administrative officers available for temporary work. We also offered a wide range of professional development opportunities.

Recognising staff achievements

Our annual corporate awards event recognised 12 employees who achieved significant outcomes that have enhanced the performance or reputation of the CMC, and two employees who displayed exemplary behaviour in line with the CMC Code of Conduct principles.

We also acknowledged 47 employees for their long and meritorious service:

5 years:	25 employees
10 years:	11 employees
15 years:	5 employees
20 years:	6 employees.



Corporate recognition awards, 2010

Andrew Stapleton, Manager Electronic Collections Unit, was presented with a Work Achievement Award in November 2010. Andrew displayed outstanding professionalism and problem-solving skills, and took on an intensive workload to make telecommunications interception a reality for the CMC – on time and within budget.

Advancing careers through professional development

During 2010–11, our employees developed their capacity and talent through a range of development opportunities including training programs and attendance at workshops and conferences. Many also took advantage of work opportunities in other agencies such as Queensland Government departments, the Australian Crime Commission, the Tasmanian Integrity Commission, the Western Australia Corruption and Crime Commission (CCC), and the New South Wales Ombudsman's Office. We supported the professional advancement of our staff in the following ways.

Leadership and management development programs

The Management Development program (March 2011) gave 45 managers the opportunity to assess the impact of their work style on the way they currently manage their teams and their work allocation. Using individual-specific workplace scenarios, they learnt how to successfully apply practical management tools and methods to improve or enhance their approach. A formal review of their progress 60 days later involved self-assessment and peer discussion.

The Organisational Resilience program provided an opportunity for 30 managers to improve their ability to handle and manage change, and to assist their team members to adapt to change in the workplace.

One senior manager undertook an Accelerated Leadership course offered by the Australian School of Business (University of New South Wales), which ran over two months with short intensive face-to-face learning blocks. The program is specifically designed to ready senior managers for roles in higher leadership.

Specialised occupational training

Staff from a wide range of professional areas undertook courses or attended international or national conferences to extend their capability and share experience with other professionals. Courses or conferences attended included:

- The inaugural International Serious and Organised Crime Conference held in October 2010, Melbourne
- 22nd Crimes Against Children Conference in August 2010, United States
- National Business Valuation and Forensic Accounting Conference in March 2011, Sydney
- Expert Evidence Conference in February 2011, Canberra
- Introduction to Law Enforcement Intelligence Program, held in August and September 2010 in Adelaide, under the auspices of the Australian Federal Police

- Certificate in Investigation Report Writing, offered by the Sydney Institute of Professional Studies
- International Association of Computer Information Systems Advanced Internet Forensic Examiner course, held in November 2010 in Brisbane
- National Witness Protection Training course, held in Perth in October 2010.

Staff movements between interstate agencies

To foster working partnerships and skill-building exchanges, a number of CMC staff have taken the opportunity to go on secondment to interstate agencies. These include two investigators – Diana Mulcahy to the Integrity Commission (Tasmania) and Andrew Tunstall to the CCC (Western Australia) – and researcher Jane Olsen, who is currently working with the NSW Ombudsman's Office on public interest disclosures.

Building skills in public sector administration

Staff at varying levels increased their skills in public sector administration through conferences and courses including an Ethical Leadership conference organised by the Queensland Police Service, a Managing Public Sector Budgets and Cost Centres workshop, an Administrative Assistants conference and a Sound Decision Making presentation.

Support for professional memberships and ongoing tertiary study

We allocated \$12 000 towards ongoing professional memberships, reimbursing 28 employees 50 per cent or 100 per cent of professional membership fees.

We supported ongoing tertiary study in the form of paid leave for 21 employees to attend lectures and exams, and through reimbursing 50 or 75 per cent of their fees. Degrees being undertaken by staff include the Certified Practising Accountant (CPA), Bachelor of Criminology and Criminal Justice, and Bachelor of Business.

Performance management

In response to employee feedback, we reviewed our existing employee performance management and development system, and identified elements for improvement such as the process for setting goals and discussing achievements, and the accompanying documentation. The Achievement and Capability Planning (ACP) system will be rolled out in August 2011.

Promoting diversity in our workplace

During the year we finished implementing our two-year *Equal Employment Opportunity (EEO) 2009–11 Plan* and evaluated its effectiveness. In May 2011 it was determined that EEO initiatives could best be implemented by incorporating them within established policies and integrating our EEO efforts within our core business rather than have them as stand-alone endeavours not always connected to the necessary resource stream. This approach will be evaluated at the end of the 2011–12 Human Resources Plan.



Indigenous cadet, Ashleigh Scott

Indigenous cadetship

As part of our commitment to promoting equity and diversity in our workforce, we participated this year in the National Indigenous Cadetship Scheme. This Commonwealth scheme links Indigenous students who are undertaking higher education, such as an undergraduate degree, with employers who can give them work placements and ongoing employment opportunities after they finish their studies. Cadetship employers provide a paid work placement for 12 weeks each year as well as financial support, professional guidance and mentoring.

Improving quality of life for individuals and families

We recognise that flexible working arrangements deliver benefits to our employees and to the organisation.

Our employees benefit from the advantages of flexible work practices including staggered work hours, compressed work weeks, part-time employment and purchased leave. These arrangements enable employees to achieve a variety of objectives including gaining a better work–life balance,

travel during off-peak periods, care for relatives, and transition to retirement. For the organisation, they help us to retain valued skills and corporate knowledge and create a more inclusive workplace.

The CMC recognises the effort and dedication of carers in our community and their provision of a vital service to those they care for and thereby to the community as a whole. All new employees are provided with information on the *Carers (Recognition) Act 2008* and the provisions of the Act relating to grandparent carers that came into effect on 10 December 2010. In 2011, we began a review of our policies and the information available on our intranet to ensure consistency with the Act.

By nature of its functions under the *Crime and Misconduct Act 2001* the CMC is generally not required to provide direct services to carers.

Promoting a fair, ethical and healthy workplace

We foster a supportive environment through a range of initiatives.

- Our employees are represented by the CMC Consultative Forum (formerly the Commission Consultative and Equal Opportunity Committee (CCEOC)). This employee group promotes cross-organisational communication and consultation on issues relating to employment conditions (including equal employment opportunities), the working environment, and the implementation of the CMC Enterprise Agreement 2009. Remuneration realignment, equal employment opportunity and work-life balance were some of the topics discussed in 2010.
- The CMC's Code of Conduct was reviewed to ensure compliance with the legislative amendments to the *Public Sector Ethics Act 1994* that commenced on 1 November 2010. We also updated our corporate induction materials to accord with the revised Code of Conduct. Training sessions on the code were held for all employees in August and September 2010, and all new employees were provided with an overview and copy of the Code of Conduct as part of the corporate induction process.
- Employees trained as peer support officers are available to staff seeking confidential advice and support on matters such as harassment and workplace conflict. All staff also have access to an external Employee Assistance Program that provides confidential

professional counselling services to help with the consequences of relationship difficulties, organisational change, substance misuse and critical incidents.

- We held an organisational climate survey in May 2011. Owing to some technical difficulties, the results will not be available to staff until the new reporting year.

Support to employees on issues of health and wellbeing included corporate arrangements to provide staff access to a nearby gymnasium, circulation of information about health issues such as Type 2 diabetes and provision of influenza-related information and vaccinations.

Early retirement, redundancy and retrenchment

No employees left the CMC this year as a result of voluntary early retirement or retrenchment. Of the three employees whose contracts were terminated early, the circumstances in two cases met the criteria for redundancy; the redundancy packages were \$83 747 and \$34 620 respectively.

Appointments and departures

Staff joining the CMC during the year included:

- Professor Marilyn McMeniman, AM, Commissioner
- Brendan Clarke, Internal Auditor
- Detective Chief Superintendent Brian Codd, Director, Crime Operations
- Dr Rebecca Denning, Deputy Director, Research
- Edith Mendelle, Executive General Manager
- Erica Urselmann, Human Resources Manager.

Those leaving the CMC during the year included:

- Dr David Gow, Commissioner
- Helen Couper, Director, Integrity Services
- Denis Feeney, Human Resources Manager
- Sharon Loder, Assistant Director, Misconduct Investigations
- Dominique Murphy, Official Solicitor
- Russell Pearce, Director, Misconduct Investigations
- Gregory Rigby, Director, Information Management
- Peter Scanlan, Executive Director
- Weng Kwong Yong, Internal Auditor.

Police service reviews

Commissioners for Police Service Reviews arbitrate on any grievances police officers may have about promotions, transfers or disciplinary action. The transparency and independence of the review process are enhanced by the standing invitation to the Queensland Police Union of Employees to attend promotion, transfer and disciplinary review hearings as observers.

Review Commissioners are independent of the CMC and the Queensland Police Service (QPS) but are nominated by the CMC Chairperson under the *Police Service Administration Act 1990* (PSAA).

To be eligible for appointment, a Review Commissioner must be:

- a CMC Commissioner, past or present
- a Commissioner of the former CJC
- a person qualified for appointment as Chairperson of the CMC, or
- a person who has demonstrated an interest and ability in community affairs.

During the reporting period, the Review Commissioners were Ms Dina Browne, who was recently re-appointed as Review Commissioner and Review Administrator, and practising solicitor Mr Pat Mullins. They stay informed of best practice and emerging trends in other jurisdictions through representation at the annual national Public Sector Appeals Conference. It is proposed that Queensland host the 2012 conference.

Review Commissioners are supported in the management of day-to-day activities by a secretariat provided by the CMC.

In addition to their primary role of arbitrating on grievances, Review Commissioners also monitor any changes to the QPS merit-based policy. In recent years there has been a substantial decline in the number of reviews, which could indicate that best practice is being achieved or that, perhaps, there is a reluctance by officers to seek a review of management decisions. We are monitoring this situation.

Despite there being a decline in the overall number of reviews, a large number of reviews are still received (usually twice yearly) against Inspector appointments. In 2010–11, the QPS altered and improved the manner in which police selection panels shortlist applications for appointment to commissioned rank.

In another development, Review Commissioners worked with the QPS in relation to the implementation of the Service Delivery and Performance Commission (SDPC) recommendation number 36, the aim of which is to develop a merit-based review process with procedures and levels of justification similar to those evident in the Public Service Commission appeals process. In part, this resulted in the introduction of a new process that is now being rolled out throughout the QPS. It allows review applicants to receive sufficient documentation early in the process to allow them to determine whether to continue with a review.

In another matter, legal advice was sought on the interpretation of section 9.3(1) of the PSAA and how it applies to certain applications for review. According to the advice, a police officer has a right to apply for a review when an authorised decision maker decides not to follow the preference of a formally established selection panel and:

- appoints to a police officer position an officer other than the officer who was preferred, or
- does not appoint a person to a police officer position, despite there being a preferred applicant.

Secretariat processes have been adjusted to account for this advice.

Table 11. Types of applications lodged, 2009–10 and 2010–11

Type	2009–10	2010–11
Promotion	31	95
Transfer	2	6
Lateral transfer	5	–
Unapplied transfer	1	5
Stand-down	1	–
Suspension	–	–
Disciplinary	–	–
Dismissal	–	–
Other (matter of jurisdiction)	1	3
Total	41	109

Table 12. Status of applications lodged, 2009–10 and 2010–11

Status	2009–10	2010–11
Matters lodged	41	109
Matters withdrawn before hearing	14	41
Matters out of jurisdiction	5	15
Matters awaiting hearing at 30 June	7	9
Matters heard	13	43

Table 13. Results of matters heard by Review Commissioners, 2010–11

Type	Awaiting outcome	Affirmed	Varied/ set aside	No jurisdiction/ lapsed	Withdrawn	Total
Transfer	–	2	–	1	3	6
Unapplied transfer	1	1	–	2	1	5
Promotion	7	24	16	11	37	95
Stand-down	–	–	–	–	–	–
Other*	1	–	–	2	–	3

* Other includes:

- review for 'unfitness for duty on medical grounds' (s. 9.3(1)(e) and s. 8.3 PSAA)
- review under s. 46 of the *Public Interest Disclosure Act 2010*
- review under s. 9.3(1)(e) PSAA, but where no appointment has been made. The decision not to appoint a particular person is reviewed by that person.

Communicating with our stakeholders

The work of the CMC attracts considerable interest from government and other stakeholders, the media and the Queensland community. To inform, educate and assist the public and our peers, we make our work available through reports, advisory bulletins, brochures and media releases, as well as through our website. Information is also provided in interviews and at conferences and public presentations.

Some of our brochures are available in languages other than English, according to community requirements. *The CMC: who we are and what we do* is available in nine non-English languages, and the brochure *It's ok to complain*, which is a joint venture with other Queensland independent complaints agencies, is available in 16 languages including Torres Strait Creole, Vietnamese and Sudanese.

Key publications

CMC publications include investigation reports, reviews of legislation, intelligence bulletins, misconduct prevention advice and research reports into the criminal justice system. Our 2010–11 publications were:

- *Annual Report 2009–10*, September 2010
- *The ethical perceptions and attitudes of Queensland Police Service recruits and first-year constables, 1995–2008*, November 2010
- *Setting the standard: a review of current processes for the management of police discipline and misconduct matters*, December 2010
- *Police move-on powers: a CMC review of their use*, December 2010
- *Report on an investigation into the alleged misuse of public monies, and a former ministerial adviser*, December 2010
- *Evaluating Taser reforms: a review of Queensland Police Service policy and practice*, April 2011
- *Councillor conduct guide*, May 2011
- *Operation Tesco: report of an investigation into allegations of police misconduct on the Gold Coast*, June 2011
- *An alternative to pursuit: a review of the evade police provisions*, June 2011
- *Regulating prostitution: a follow-up review of the Prostitution Act 1999*, June 2011
- *Strategic Plan 2011–15*, June 2011

» See our full list of our [publications](#).

» See [It's ok to complain](#).

Public awareness of the CMC: survey results

In June–July 2010, we surveyed 1529 Queenslanders about their awareness of the CMC.

Although 78 per cent of respondents had heard of the CMC, this percentage is lower than it was 15 years ago, and is also lower than awareness of our peer agencies in their respective states.

Those respondents who had heard of the CMC generally had positive perceptions. Most believed that the CMC, as an independent organisation, was a 'good thing' for the people of Queensland.

However, knowledge of what we do is mixed. For example, respondents were aware of our investigative role, but mostly unaware of our monitoring, prevention, research and witness protection functions. Overall, the survey identified that we need to improve the general public's knowledge about the variety of the CMC's functions.

To do so, we have initiated a more proactive media strategy, particularly around the less well known of our functions, given a variety of presentations at regional centres around Queensland, and are currently redeveloping our website.

Improving online access to CMC information and services

Over the next 12 months the CMC will be making access to its information more user-friendly. Its redeveloped website, currently scheduled to go live at the end of December 2011, is intended to make it easier for people to lodge complaints online, make submissions to public inquiries, subscribe to information updates and to register for regional training and information sessions.

The public and researchers will also find it easier to search the contents of our publications, which include the 1989 Fitzgerald Report.

A further online project, the redevelopment of the intranet, aims to improve internal communications through greater use of web-based technologies.

We will also consider the implications of social media.

Media activities

During the reporting period, we received 942 media queries. We published 31 media releases, gave 56 interviews, and the Chairperson held three media conferences.

This year there was a high level of media interest in our police oversight role, particularly due to the release of several publications that dealt with police-related issues. The ongoing matter into the Palm Island death in custody of Mulrunji and our public hearing into alleged police misconduct on the Gold Coast also attracted significant media attention.

Our misconduct work in other areas came under media scrutiny following the second corruption conviction of former Queensland Government minister Gordon Nuttall and the release of an investigative report into allegations of misconduct by a former ministerial adviser.

We saw a rise in media interest regarding the CMC's work in combating crime following a successful proceeds of crime claim against a former outlaw motorcycle gang member.

During the year, the CMC began to explore ways to proactively release information to the media. In December, we launched the first of a series of 'media backgrounder' sessions. These are aimed at increasing the CMC's transparency and informing journalists about various aspects of our role. The first two sessions held this financial year provided an overview of the CMC's work in combating crime and misconduct, including the use of investigative hearings, the confiscation of proceeds of crime and the complaints system.



Public presentations

In 2010–2011 our public presentations included:

- crime conferences throughout Australia, including the 20th International Symposium on the Forensic Sciences, hosted by the Australian and New Zealand Forensic Science Society in Sydney
- public sector misconduct and corruption forums, including the 17th Annual Public Sector Fraud and Corruption Conference in Canberra
- discussions with local government councillors about ethical decision making and the impact of Queensland's amended *Local Government Act 2009*
- presentations to police recruits and criminal law students
- information sessions as part of the Queensland Police Service's detective training courses, focusing on proceeds of crime and coercive hearings.

To promote a broader knowledge of the organisation's work within the community, this financial year we took part in NAIDOC Week and Queensland Law Society's Symposium 2011 conference.



[Left] Assistant Commissioner, Misconduct, Warren Strange talks about the work of Misconduct, including record complaints received in the month of March 2011, during an interview with Channel Ten News on 19 May 2011. [Above] Five o'clock news co-anchor Georgina Lewis introduces the story.

Images courtesy of Channel Ten.

Our governance

Governance encompasses a range of activities and functions such as leadership, strategic planning, performance management and compliance. A strong governance framework is fundamental to the way we make decisions, manage risks and challenges, and plan for the future.

Governance principles

Our governance principles directly influence our activities, policies and procedures. They have been developed to build a stronger, more strategically focused organisation, with greater transparency and personal accountability. These principles will help ensure that our organisation remains dynamic and relevant to the needs of Queensland. They comprise:

- a strong governance framework
- corporate ownership
- communication
- maintaining structures that support strategies
- strategic and performance management.

Our leadership

The Commission

Our Commission members set the strategic directions of our organisation. They meet on a fortnightly basis to consider a range of matters such as strategic, financial and managerial issues; specific crime and misconduct operations; and research and intelligence projects, including capacity development and misconduct prevention activities. In 2010–11, we developed a governance manual to clarify the roles, functions and responsibilities of Commission members.

The CMC's two Assistant Commissioners (the Assistant Commissioner, Crime and the Assistant Commissioner, Misconduct), the Director, Witness Protection and Operations Support, and the Executive General Manager also participate in meetings but do not have voting rights.

In 2010–11, the Commission met with the Parliamentary Crime and Misconduct Committee (PCMC) seven times and convened 24 Commission meetings.

Table 14. Commission meetings from 1 July 2010 to 30 June 2011

Name	Ordinary meetings (n = 24)	Special meetings (n = 1)	With PCMC (n = 7)
Martin Moynihan	21	1	7
David Gow ¹	7	1	2
Ann Gummow	23	1	7
Judith Bell	21	1	7
Philip Nase	23	1	6
Marilyn McMeniman ²	4	–	1
John Callanan	19	–	4
Warren Strange	21	–	7
Edith Mendelle ³	5	–	1
Peter Barron	21	–	–
Gary Adams ⁴	14	–	5
Peter Scanlan ⁵	5	–	1

1. Appointment expired on 1 October 2010.
2. Appointed part-time Commissioner on 29 April 2011.
3. Appointed Executive General Manager on 27 April 2011.
4. Interim appointment until 27 April 2011 as Executive Manager, Corporate Change.
5. Last meeting attended 3 August 2010.

In addition to fulfilling its normal statutory duties, in 2010–11 the Commission:

- endorsed a review of the CMC's governance framework
- developed the *Strategic Plan 2011–15* by identifying new organisational priorities
- provided advice and expertise to a number of significant internal governance and review committees.

In 2010–11, our part-time Commissioners also participated in a range of community engagement activities. This included visits to a number of remote Indigenous communities to discuss strategic policing challenges, and visits to regional centres to attend misconduct prevention forums.



The current Executive Leadership Group, from left to right: Edith Mendelle, John Callanan, Warren Strange and Chairperson Martin Moynihan AO QC

Executive Leadership Group (ELG)

A key priority for our governance review was to establish clearer lines of accountability. Consequently, an Executive Leadership Group (ELG) was established as a primary strategic management group to provide advice to the Commission, support to the Chairperson/CEO and guidance to senior managers. It does this by considering strategic priorities, resource allocation and operational performance to ensure the efficient, effective and economic management of the organisation.

This group meets weekly. The current members are:

- the Chairperson/CEO
- Ms Edith Mendelle, Executive General Manager
- Mr John Callanan, Assistant Commissioner, Crime
- Mr Warren Strange, Assistant Commissioner, Misconduct.

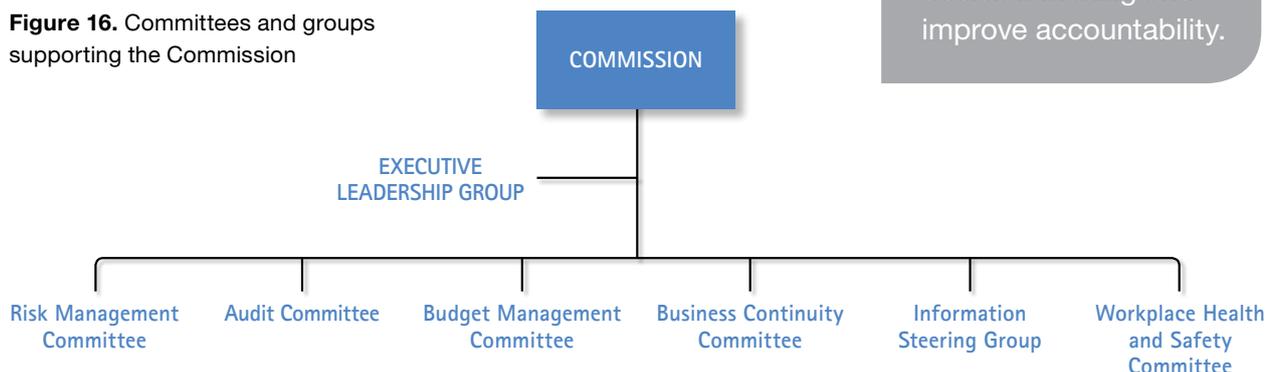
During 2010–11, the Executive Leadership Group:

- assessed the challenges and opportunities facing the CMC at an operational level by adopting a rigorous risk management approach
- considered high-level policy and strategic issues, and provided guidance on corporate documents including the organisation's strategic plan for 2011–15 and the CMC's submission to the parliamentary committee's three-year review
- identified material resourcing issues and guided changes to the internal budget, as necessary, to address unexpected pressure points
- monitored the progress of major corporate projects, including the Information Management Review and the web redevelopment project
- considered organisation-wide human resources matters, including proposed changes to staff delegations, and the recruitment, retention and development of senior management
- implemented recommendations from the CMC governance review, including the rationalisation of governance committees to foster a culture of individual accountability.

Key committees and groups supporting the Commission

The number of formal committees was reduced to streamline decision making and improve accountability.

Figure 16. Committees and groups supporting the Commission



In 2010–11, our committee structure was reviewed and the number of formal committees was reduced to streamline decision making and improve accountability. The formal committees and groups supporting the Commission are shown in Figure 16.

Each committee maintains a strategic focus through adherence to its published charter, which defines the roles and responsibilities of the committee and its members. A Commissioner may be a member of any of these committees.

Our committees and groups not only address matters of risk falling within their area of responsibility (and report them to the Risk Management Committee as they arise) but also support the Commission by ensuring internal transparency and the development of best management practice within the CMC.

Risk Management Committee

In January 2011, the newly re-formed Risk Management Committee held its first meeting to oversee the CMC's risk management framework. This role was previously the responsibility of the Executive Committee. The Risk Management Committee meets monthly, and after a 12-month period it is anticipated that these meetings will be held quarterly, in accordance with the committee's charter.

The committee performs an advisory role, with its primary function being to help the Commission accomplish its objectives in accordance with the *Crime and Misconduct Act 2001* by bringing a systematic, disciplined approach to evaluating and improving the adequacy and effectiveness of its risk management function.

The committee is made up of seven members, one of whom is an external member appointed by the Commission as an independent Chair. The members are:

- Ms Marita Corbett, Partner, Risk Advisory Services, BDO (Chair)³
- Mrs Judith Bell, Commissioner
- Mr Chris Keen, Director, Intelligence
- Mrs Edith Mendelle, Executive General Manager
- Ms Jan Speirs, General Counsel
- Mrs Karyn Worth, Senior Adviser, Corporate Governance.

The Internal Auditor has a standing invitation to attend meetings of the Risk Management Committee.

In 2010–11, the CMC further developed its risk management systems to identify, analyse and address risk throughout the organisation. A new risk management tool was developed to identify inherent and residual risks, and assess the adequacy of risk controls.

Other significant achievements and outcomes during the year were:

- redesigning our strategic risk management framework
- establishing clear reporting relationships between the Risk Management Committee and other committees, groups and forums to ensure an integrated approach to corporate risk management
- developing a computer-based risk incident reporting tool
- increasing risk management awareness through presentations at internal staff forums.

³ Ms Corbett is an external consultant and is paid a retainer of \$1250 per meeting for her services as the Chair of the CMC Risk Management Committee.

Audit Committee

The objectives of the Audit Committee are to assist the Commission in its governance by ensuring that it exercises due diligence, care and skill in such areas as:

- financial management and reporting
- risk management
- external and internal audit functions
- internal controls over the various functions performed by the CMC.

The committee helped the Commission to fulfil its governance and oversight responsibilities for financial reporting, as prescribed in the *Financial and Performance Management Standard 2009* and the *Financial Accountability Act 2009*.

The Audit Committee also helped the Commission to oversee the audit process, its process for monitoring compliance with law and regulations, the Code of Conduct and the CMC's policies, procedures and guidelines. The committee operates within and observes the terms of its charter and has due regard to the Queensland Treasury *Audit Committee Guidelines*.

To ensure the committee's independence, its five-person membership includes a CMC Commissioner and two external members, one of whom is the Chair. Although the CMC Chairperson and the Executive General Manager are not committee members, they attend meetings to brief the committee on forthcoming issues and any possible risks for the organisation. Representatives from the Queensland Audit Office and the Internal Auditor have a standing invitation to attend meetings.

In 2010–11, significant achievements of the Audit Committee were:

- reviewing the *Strategic Audit Plan 2010–15* and the *Annual Internal Audit Plan 2011–12*
- ensuring that CMC financial statements complied with Treasury guidelines and appropriate accounting standards
- undertaking a benchmarking assessment of the CMC internal audit function against the principles published in the Institute of Internal Auditors Australia *Policy agenda*
- introducing the Chief Finance Officer Statement in the CMC in accordance with section 77(2)(b) of the *Financial Accountability Act 2009*
- being instrumental in forming the CMC's Risk Management Committee and the appointment of its external Chair
- addressing significant issues arising from the CMC's governance review
- introducing a control requiring all committee members to sign a 'Declaration: ethical interest' form
- revising the Audit Committee Charter
- agreeing on the duration for the term of office for committee members, consistent with Queensland Treasury's *Audit Committee Guidelines*.

The Audit Committee monitors the internal and external auditors' activities for efficiency and effectiveness.

Table 15. Audit Committee membership

Name	Year first appointed	Internal/external appointee	Current position	No. of meetings attended/Total held
Mr Phil Procopis (Chair)	2003	External	Director, Assurance and Risk Management Services, University of Queensland	4/4
Mr Len Scanlan ¹	2005	External	Scanlan Consulting Solutions (former Auditor-General of Queensland)	4/4
Dr David Gow ²	2005	Internal	Part-time Commissioner	1/4
Mr Philip Nase	2010	Internal	Part-time Commissioner (Mr Nase replaced Dr Gow)	3/4
Mr David Goody	2008	Internal	Manager, Proceeds of Crime	4/4
Mr David Honeyman	2008	Internal	Principal Adviser, Misconduct Prevention	1/4

1. Mr Scanlan was paid \$5000 per annum for his services. Other members received their normal remuneration from their employers.
2. Dr Gow's term on the committee ceased in 2010 when his term as a part-time Commissioner ended.

The committee conducts a self-assessment of its performance at the end of each financial year and meets with the external and internal auditors separately, without the presence of management, to inquire if there are any significant concerns that need to be dealt with.

The CMC's Audit Committee liaises effectively with the Queensland Audit Office and ensures that all audit findings and recommendations made by the Queensland Audit Office at year-end audits are promptly followed up and implemented.

Budget Management Committee

The Budget Management Committee assists the Commission in its financial management responsibilities and reviews its financial and budget process. The committee provides independent advice to the Commission through its reporting structure but does not replace existing lines of authority or reporting. The members are:

- the Chairperson (Chair)
- a Commissioner
- the Assistant Commissioner, Crime
- the Assistant Commissioner, Misconduct
- the Director, Witness Protection and Operations Support
- the Executive General Manager
- the Finance Manager (Secretary).

Key achievements during the 2010–11 financial year were:

- reviewing the 2009–10 financial statement and recommending changes where necessary
- overseeing the preparation of the 2011–12 annual budget in accordance with the Commission's strategic priorities
- making recommendations to the Commission on new budget initiatives
- monitoring expenditure against budget during the year, reviewing significant financial transactions and recommending corrective action where necessary
- setting the format for enhanced financial reporting processes within the Commission, to assist with performance reporting.

Business Continuity Committee

Business continuity is the activity performed to ensure that critical business functions are available in the event of a disaster that prevents or disrupts normal operations. In 2010–11, the committee developed and endorsed the *Business Continuity: CMC Staff Handbook* to raise awareness and provide an overview of our management of business continuity. The CMC maintains membership of the Continuity Forum, with several of our committee members attending a number of forum meetings. Two committee members attended the Australasian Business Continuity Summit 2011.

Information Steering Group

The Information Steering Group assists the Commission with its responsibility to effectively utilise its information infrastructure and resources. The group provides independent advice to the Commission but has no decision-making authority. As an outcome of the internal governance review, the CMC is developing a charter for the newly reconstituted Information Steering Group, which has replaced the previous Information Steering Committee. It is intended that the revamped committee should have a position for external representation to ensure its independence.

Workplace Health and Safety Committee

The members of the Workplace Health and Safety Committee are a representative cross-section of our employees. Several core representatives are longstanding employees and have developed a wealth of knowledge and experience in this area. Conversely, many members were recruited in recent years and bring new perspectives and added enthusiasm to the committee.

Through the efforts of the Workplace Health and Safety Committee and in pursuit of a healthy and safe workplace, during the year we have:

- maintained a free employee influenza vaccination program, resulting in vaccinations being provided to 149 staff
- maintained specialist support services for staff engaged in covert activities that carry significant risk
- continued and monitored our Employee Assistance Program, which is available to all employees
- engaged in rehabilitation and return-to-work programs for staff in need of such services
- maintained the accreditation of our workplace health and safety officers
- updated our evacuation team members and first aid officers
- ensured that all electrical equipment was checked and tagged in accordance with the requirements of section 3A of the *Workplace Health and Safety Act 1995* and the *Electrical Safety Act 2002*.

Other governance tools and risk controls

Internal audit operations

Operating under the Queensland Treasury *Audit Committee Guidelines* and a formal charter, the Internal Auditor reports to the Chairperson. The charter ensures that our procedures and practices are consistent with the audit standards and code of ethics prescribed by the Institute of Internal Auditors *International Professional Practices Framework* (IPPF).

A full-time Internal Auditor was appointed in February 2011, replacing a previous part-time position, to conduct financial, compliance and assurance audits, and also to review the CMC's operational systems for efficiency and effectiveness. All audits are risk-based to ensure that areas with the most risk are addressed in the internal audit plan.

The Internal Auditor prepared the Annual and Strategic Internal Audit Plans, which addressed the CMC's strategic objectives and matters of high risk in the Crime, Witness Protection and Misconduct functional areas and in work areas providing strategy and services support to functional areas. The Annual and Strategic Internal Audit Plans were endorsed by executive management and the Audit Committee and approved by the Commission.

Audits completed in the 2010–11 financial year included the payroll follow-up review, the external intrusion network review, the integrity services monitoring review, testing of financial systems for corporate and covert operations, bank reconciliation examinations and an examination of proceeds of crime practices.

Policy and procedure

The CMC has a range of policies and procedures that are readily available to all staff through the CMC's intranet. In accordance with section 21 of the *Right to Information Act 2009*, policies available to all staff are published on our website.

Recordkeeping

The CMC is aware of its responsibilities under the *Public Records Act 2002*, Information Standard 40: Recording, and Information Standard 31: Retention and Disposal of Public Records, and is developing strategies to improve its recordkeeping practices throughout the organisation.

One of the approved recommendations from the review of governance arrangements was for the CMC's information management activities to be independently examined by an external specialist. This evaluation began in early 2011 and resulted in 20 major recommendations to deal with problems identified in Information Management systems and activities, and the management of those systems and activities. All recommendations were subsequently approved by the Commission. A challenging 12-month implementation plan has been developed and the staged execution of the plan has begun.

Consistent with the CMC's strategic plan, an Electronic Document and Records Management System (eDRMS) was successfully implemented in all areas of the CMC in August 2010. The eDRMS implementation supports the lifecycle management of the CMC's electronic and physical documents and records, and provides opportunities for productivity improvements through workflow management functions.

Maintaining the reliability of computing hardware and the currency of the suite of software remains a Commission priority. Accordingly, the cyclic replacement of the computing standard operating environment, comprising all desktop and laptop PCs and the standard software build, was completed in June 2011.

Information systems

The CMC has highly specialised and secure electronic information systems and databases that it uses to conduct its business. However, some financial and human resources functions require the CMC to lodge data on systems maintained by external agencies, including the Queensland Treasury. These various systems were interrogated to access the performance information provided in this report.

Code of Conduct

We maintain an up-to-date Code of Conduct to provide guidance to staff on appropriate behaviour. The code is provided to staff as part of the corporate induction process and is also available on the CMC intranet.

Managers Communication Forum

The Managers Communication Forum promotes cross-organisational collaboration and facilitates two-way communication between CMC managers and the Executive Leadership Group. Relevant management issues are brought to the forum from the Commission, from the Executive Leadership Group and from forum members. The forum aims to facilitate discussion and consultation on strategic and management issues. The Managers Communication Forum is a discussion forum only and does not have decision-making authority.

Office of General Counsel

General Counsel provides the Chairperson and Commissioners with independent legal advice and support on any matter bearing on the responsibilities of the CMC. General Counsel reports directly to the Chairperson.

Our related Legal Services Unit provides legal support to operational areas as required and helps the CMC meet its obligations to external and Commonwealth agencies overseeing our telecommunications interception function.

Other groups

There are various other groups and committees in place to support operational managers – in particular, to support the Assistant Commissioners. These other groups tend to operate within work areas, and ensure that the required perspectives are brought to bear in the appropriate forums. In these forums, work areas such as Research and Intelligence and specialists such as lawyers and accountants contribute their expertise.

External scrutiny

Parliamentary Crime and Misconduct Committee

The Parliamentary Crime and Misconduct Committee (PCMC) is a bipartisan committee that has the following principal functions:

- monitor and review the CMC's performance of its functions
- receive and consider complaints against the CMC and deal with issues concerning the CMC
- request reports on matters that have come to the PCMC's attention through the media or by other means
- consult with the Attorney-General on the appointment of the CMC Chairperson and Commissioners.

In 2010–11, the Commission formally met with the PCMC about every two months to discuss current activities and performance. From 2010 to 15 June 2011 the members of the PCMC were:

- Mr Paul Hoolihan MP, Chair, Member for Keppel
- Mr Jack Dempsey MP, Deputy Chair, Member for Bundaberg
- Mr Steve Dickson MP, Member for Buderim
- Mr Scott Emerson MP, Member for Indooroopilly
- Mr Mark Ryan MP, Member for Morayfield
- Ms Lillian Van Litsenburg MP, Member for Redcliffe
- Mr Steve Wettenhall MP, Member for Barron River.

On 20 May 2011 the PCMC advised its intention to undertake its review of the CMC's activities. It is required to undertake such a review at a time near the end of three years from the appointment of the committee's members, as prescribed by the *Crime and Misconduct Act 2001*. The PCMC published its most recent review, *Three yearly review of the Crime and Misconduct Commission* (report no. 79), in April 2009.

» Read the PCMC's report [here](#).

In the month after this advice, on 16 June 2011, the outcome of the Queensland Parliament's reform of its committees was announced, as was the new membership of the PCMC, namely:

- Dr Alex Douglas MP, Chair, Member for Gaven
- Ms Grace Grace MP, Member for Brisbane Central
- Mr Evan Moorhead MP, Member for Waterford
- Mr Andrew Powell MP, Member for Glasshouse⁴
- Mr Mark Ryan MP, Member for Morayfield
- Mr Peter Wellington MP, Member for Nicklin
- Mr Steve Wettenhall MP, Member for Barron River.

Just as CEOs of government agencies are obliged to report possible misconduct to the CMC, the CMC Chairperson is required to report to the PCMC any conduct of a CMC officer that the Chairperson suspects involves, or may involve, improper conduct (section 329 of the *Crime and Misconduct Act*). These matters may be referred back to the CMC for investigation under the CMC's disciplinary policies.

⁴ Mr Vaughan Johnson MP, Member for Gregory replaced Mr Powell on the committee on 4 August 2011.

Pursuant to section 292(f) of the *Crime and Misconduct Act 2001* (Qld), the PCMC must conduct a three-year review of the activities of the CMC and report to the Legislative Assembly. This is a statutory review of the CMC's activities to assist parliament in considering whether amendments are needed to the *Crime and Misconduct Act 2001* or to the functions, powers and operations of the CMC. The PCMC has called for submissions from all interested Queenslanders and will conduct public hearings later in the year.

Parliamentary Crime and Misconduct Commissioner

The Parliamentary Crime and Misconduct Commissioner (Parliamentary Commissioner) assists the PCMC in its role of monitoring and reviewing the CMC by undertaking a range of important activities on the committee's behalf and reporting back to the PCMC. For example, the Commissioner may conduct audits of the CMC's records and files and is authorised to investigate complaints against the CMC or its officers.

During the year, the Parliamentary Commissioner, Mr Gary Long SC, originally appointed on 10 January 2010, vacated his post when he was appointed a judge of the District Court of Queensland in May 2011. On 18 May 2011, Mr Mitchell Kunde was appointed the acting Parliamentary Commissioner.

In 2010–11, the Parliamentary Commissioner:

- audited the CMC's compliance with legislation governing covert instruments and the use of surveillance devices and assumed identities
- inspected selected registers that the CMC is required to maintain
- inspected the telecommunications interception records
- oversaw investigations into allegations against several CMC staff
- inspected the Covert Human Intelligence Sources register.

All issues raised by the audits and inspections undertaken have been recorded. Action was taken when suggestions were made to achieve best practice, remove ambiguity or reduce the potential for error.

The Minister

The CMC's Minister is the Honourable Paul Lucas MP, Deputy Premier and Attorney-General, Minister for Local Government and Special Minister of State. Our former Minister, the Honourable Cameron Dick MP, finished his term as Attorney-General in February 2011.

The Minister participates in the selection of the Chairperson, Commissioners and Assistant Commissioners, approves staff remuneration conditions, and approves the CMC's budget.

Our Minister must ensure that the CMC operates in accordance with best practice standards. He is assisted in fulfilling this function by a six-monthly written performance report from the CMC on the efficiency, effectiveness, economy and timeliness of its operations and processes.

External audit

The Queensland Audit Office audits the CMC's financial statements annually. The CMC has never had a qualified audit.

Specialised monitoring of CMC activities

Public Interest Monitor

The Public Interest Monitor must ensure that the CMC complies with the *Crime and Misconduct Act 2001*, the *Police Powers and Responsibilities Act 2000* and the *Telecommunications Interception Act 2009 (Qld)* when making application for, and using, surveillance warrants, covert search warrants and telecommunications interception warrants. When appropriate, the Public Interest Monitor may give any report about non-compliance in relation to surveillance and covert search warrants to the Commission and the PCMC, and any non-compliance with respect to telecommunications interceptions to the Attorney-General, the PCMC and the Parliamentary Commissioner.

Supreme Court

Many of the CMC's coercive powers may be exercised only with the approval of a Supreme Court judge. The approval of a Supreme Court judge must also be sought when the CMC wishes to serve compulsory process on interstate residents.

In addition, some decisions of the CMC may be reviewed by a Supreme Court judge. These include applications for judicial review of decisions of the CMC and the Crime Reference Committee.

The Supreme Court also decides penalties to be imposed on people who refuse to answer questions during CMC hearings.

Crime Reference Committee

As discussed on page 19, the Crime Reference Committee, established under section 274 of the *Crime and Misconduct Act*, has a significant role in referring suspected major crime to the CMC for investigation. It can also place a limitation on the powers exercised by our Crime area in regard to its referrals.

Controlled Operations Committee

The Controlled Operations Committee was established under the *Police Powers and Responsibilities Act 2000* to consider and make recommendations about applications for 'controlled operations' to be undertaken by the QPS or the CMC. (Controlled operations are investigations of serious indictable offences, misconduct or organised crime that may involve authorised police officers and others engaging in activities that may be unlawful – for example, buying illicit drugs from an investigation target.)

The committee comprises the Commissioner of Police (or nominee), the Chairperson of the CMC, and a retired District Court judge (the independent member), who is the chair.

In the case of any controlled operation by the CMC that involves investigating a police officer, the Chairperson may approve the application without referring it to the committee, but must first contact the independent member and obtain their agreement.

Sustainability reporting

Toward Q2: Tomorrow's Queensland (Toward Q2), the Queensland Government document outlining its strategies to address current and future challenges for Queensland, contains the ambition *Fair – Supporting safe and caring communities*. It is this ambition to which the CMC primarily contributes, although we also play a part in supporting other government ambitions. In particular we have taken steps to support the Toward Q2 ambition *Green – Protecting our lifestyle and environment*.

Our sustainability reporting has economic, environmental and social dimensions.

Economic sustainability

The CMC aims to apply prudent financial business practices to its internal operations, to ensure economic and financial sustainability.

Our main source of income is government appropriation. The CMC holds adequate financial reserves to meet its obligations as they fall due, including accrued leave entitlements for staff.

Our financial performance is detailed in the financial statements attached to this report.

Environmental sustainability

The CMC contributes to environmental sustainability by continuing to incorporate sustainable practices such as reducing its vehicle fleet, adopting where possible the use of four-cylinder cars, using recycling processes and occupying office space in a 'green' building. We take steps to help Queensland reduce its carbon footprint, especially by reducing our car and electricity use. This year we could not produce the savings expected in some areas because of operational factors. Appendix F contains more detailed reporting on this topic.

Social sustainability

During this year, we continued to demonstrate the ongoing social value of our organisation. In 2010–11, we have:

- continued to dismantle socially destructive criminal networks
- engaged in efforts to build confidence in our public institutions by advancing public sector integrity
- continued to provide citizens with the opportunity to raise questions about possible misconduct in public sector agencies with an independent arbiter having the powers to investigate
- provided government with the opportunity to consider reports and proposals on important social issues, including prostitution, 'evasion of police' provisions and police 'move on' powers
- participated in government initiatives to improve public confidence in the police generally and in the QPS disciplinary system in particular
- successfully prosecuted cases where corruption arose
- used civil confiscation processes to recover, for return to the state, over \$9.3m in assets derived from illegal activity.

Looking ahead

In 2011–12 we will pursue our objective of being a high-performing organisation that communicates effectively, using the strategies outlined in our *Strategic Plan 2011–15*. This will include the following:

- Further develop the whole-of-government electronic complaints system
- Implement activity-based costing for enhanced financial reporting
- Further implement our risk management framework to strengthen our whole-of-government approach to managing risk
- Implement the CMC achievement and capability process to assist staff and managers to develop individual performance
- Review and implement an improved framework for managing major research projects and publications
- Redevelop the CMC website and intranet to enhance engagement with external client groups and internal stakeholders.

Financial performance

The CMC operates in an internal control and risk management framework that ensures compliance with our financial responsibilities, cost minimisation and value for money. These internal controls include:

- regular financial audits by the Queensland Audit Office and the CMC's Internal Auditor
- a Budget Management Committee that ensures the budget is framed to maximise outputs from the strategic plan and monitors it to ensure that targets are achieved
- continued engagement with the CMC's Audit Committee
- regular internal and external financial reporting, including quarterly reports to the PCMC
- maintaining an updated Financial Management Practice Manual
- ensuring ongoing training and development of finance staff.

Purchasing and expense management

The CMC manages its procurement processes in accordance with the *State Procurement Policy 2010*. Our aim is to maximise value for money when purchasing goods and services, and to ensure probity and accountability of procurement outcomes. We do this by ensuring compliance with the CMC's policies and procedures, and by monitoring and improving systems and processes.

The CMC's expense management system ensures prompt recognition and recording of expenditure in a manner that satisfies monitoring and reporting objectives and accountability requirements. Payments to creditors are generally settled on 30-day terms. The CMC paid all its accounts on time during the financial year and took advantage of discounts on early settlement of accounts.

Table 16. Statement of Comprehensive Income

Comparison of budget and actual results	2010–11		
	Budget \$'000	Actual \$'000	Variance \$'000
Grants and Contributions	47 989	48 658	669
Other Revenue	550	890	340
Gains from Sale of Property, Plant and Equipment	25	14	(11)
Total Income	48 564	49 562	998
Employee Expenses	34 484	34 354	(130)
Supplies and Services	12 117	12 664	547
Depreciation and Amortisation	1 885	2 158	273
Finance Costs	–	66	66
Other Expenses	78	556	478
Total Expenses	48 564	49 798	1 234
Operating Surplus/(Deficit)	–	(236)	(236)

Explanation of significant variances

Grants and Contributions

The increase in grant funding was due to additional funding received for pay increases. In addition, the CMC recognised contributions of \$0.363m for services received free of charge from other Queensland Government agencies. An equal amount has been recognised as expenditure.

Other Revenue

The increase in other revenue is the result of greater interest earnings than budgeted. This was due to more efficient cash management processes and higher than anticipated interest rates.

Employee Expenses

Employee expenses were under budget mainly due to impacts of the governance review held during the financial year, which led to structural reviews in some areas of the CMC, thereby causing delays in some recruitment processes.

Supplies and Services

Supplies and services expenditure was higher than budgeted mainly due to recognising the cost of lease payments on a straight-line basis for Green Square and the offsite premises over the term of the lease, in accordance with AASB 117 *Leases*. In addition, costs incurred to 'make good' the old offsite premises were higher than expected.

Depreciation and Amortisation

The increase is due to higher depreciation write-offs for leasehold improvements.

Other Expenses

The increase in other expenses is due to the recognition of the services received free of charge from other Queensland Government agencies (\$0.363m).

Operating Deficit

The operating budget deficit of \$0.236m was due to additional write-offs of lease payments in accordance with AASB 117 *Leases*, which requires the annual lease expense to be recognised on a straight-line basis over the term of the lease if lease increases are fixed.

Asset Management

The CMC adheres to Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*.

The CMC performs an asset stocktake annually. As part of the stocktake process, a review of the useful lives of assets is conducted, and assets are assessed for indicators of impairment. The CMC did not impair any assets during the financial year.

Table 17. Statement of Financial Position

Comparison of budget and actual results	2010–11		
	Budget \$'000	Actual \$'000	Variance \$'000
Current Assets	7 710	10 897	3 187
Non-Current Assets	14 851	15 873	1 022
Total Assets	22 561	26 770	4 209
Current Liabilities	3 553	5 597	2 044
Non-Current Liabilities	3 059	5 330	2 271
Total Liabilities	6 612	10 927	4 315
Total Equity	15 949	15 843	(106)

Explanation of significant variances

Current Assets

Cash reserves have built up due to the 2009–10 operating surplus and the timing of creditor payments. The increase in receivables is due to a higher than expected GST refund at the end of the financial year.

Non-Current Assets

The CMC reassessed its lease obligations during the financial year, and recognised a provision for restoration costs of \$1.328m, which is included in the cost of leasehold improvements, thereby increasing non-current assets.

Current Liabilities

Current liabilities were higher than expected, mainly due to an increase in payables. These payables included over \$1m owing to suppliers for computer equipment purchased as part of the four-yearly cyclical standard operating environment (SOE) replacement program, which was rolled out to the CMC during June 2011.

Non-Current Liabilities

The increase in non-current liabilities is mainly due to the CMC recognising a provision for restoration costs of \$1.328m when it reassessed its lease obligations during the financial year. Additionally, an amount of \$0.374m was recognised as a deferred lease liability to account for lease expense payments on a straight-line method over the term of the lease.