

Annual Report
1997-1998

Queensland
and



Crime Commission

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Tim Carmody, Crime Commissioner

In the short four month span of the Queensland Crime Commission's existence dealt within this report, much has been done to translate the QCC legislation into reality.

The Crime Commission has a unique role in the criminal justice landscape in post-Fitzgerald Queensland as a value-added law enforcement response specific to organised and major crime and paedophilia. The Commission emphatically complements rather than duplicates the law enforcement effort by working in close cooperation with other law enforcement agencies, particularly the Queensland Police Service.

QCC fills a gap in the law enforcement environment by applying its range of powers and expertise to matters where other investigative agencies or methods have already failed, or are unlikely to succeed. Its unique value lies in its capacity to deliver a long range, strategic, research based and intelligence driven,

multi-disciplinary approach that is material to successfully combating organised crime and criminal paedophilia.

Since the Commission became an entity on 2 March 1998 with the appointment of the Crime Commissioner and the nine-member Management Committee, it has focused its operational effort towards seven specific investigative references and two major projects, Axis and Krystal, respectively targeting paedophilia and organised crime.

For a significant and lasting impact to be made on the incidence of paedophilia in Queensland, it is essential that effective monitoring, investigative and preventative strategies be developed. Project Axis is a joint initiative of the Queensland Crime Commission and Queensland Police Service aimed at minimising the commission of serial and systematic sex offences against children.

It is the first comprehensive, law enforcement oriented evaluation of criminal paedophilia in this State, designed to identify the defining characteristics of offenders and their victims, and the historical, sociological, cultural, psychological and other causes of the phenomena.

The Commission's strategic objective is to assess and prioritise relevant risks and develop a better way of dealing with those risks, while its tactical aim is to create an environment in this State so hostile and disruptive to paedophile groups that they are deterred from offending here.

Similarly, Project Krsytal examines organised crime in the Queensland context.

This joint QCC-QPS project will critically assess the nature and extent of organised criminal activity in Queensland, evaluate the current and future risks to the community; provide a reference point for the appropriate allocation of the Commission's intelligence and investigative resources, and facilitate the development of new competencies and more efficient law enforcement in the longer term.

QCC's approach to organised crime is essentially one of opportunity reduction, and it will focus its investigative attentions towards a variety of illegal industries,

markets and commodities. Of course, drug trafficking continues to be a priority for law enforcement. However, the Commission will also be directing its attention to other illegal commodities such as fauna and flora and black market merchandise available for order on the Internet.

The nature, profit making capacity and level of influence of organised crime represents a real danger to social order and imposes a heavy, and often hidden, financial burden on public funds.

Studies show, for instance, that every kilogram of heroin imported into Australia costs the community more than \$1 million in lost revenue, law enforcement and health associated costs. Insurance fraud generally is estimated to cost insurance companies between \$300 million and \$1,180 million annually which of course, is returned to the community in higher insurance premiums. Organised and opportunistic motor vehicle theft alone cost the Australian community in the vicinity of \$650 million in 1996.

The Internet has assisted commercial opportunities in smuggling and has spawned new black market enterprises. A key niche market for transnational crime on the Internet is the promotion of sexually related commerce, including child pornography, which of course falls into the jurisdiction of the Crime Commission.

The computer age also plays a major role in the sophisticated use of the financial system for international money laundering schemes. It is estimated that as much as \$3.5 billion may be laundered in or through Australia by organised crime groups each year.

An international gambling and technology conference organised by the Australian Institute of Criminology recently discussed the movement by criminal cartels to seize control of the multi-billion dollar global Internet gambling industry. The 60,000 sites worldwide provide a haven for money laundering and a ready source of funds.

Crime and law enforcement take place in a complex commercial world. Elaborate commercial transactions are part of legitimate business as well as being used as a facade for criminal, money laundering and related activities. To date, there has been a passive and resigned acceptance by law enforcement and the wider community of the profit making purpose, motivation and potential of organised crime activity.

But it is possible for the community to offset the ever increasing cost of crime and exact a return on its investment in law enforcement directly from criminal proceeds, by introducing a user pays confiscation and forfeiture system.

Unlike its NSW counterpart, the Queensland Crime Commission does not currently have access to a civil-based criminal proceeds and asset recovery framework like the one that operates in NSW, and that has led to the NSW Crime Commission halving its recurrent cost to government over the past five years. Assisted by a similar civil confiscation based forfeiture scheme, there would be an opportunity for Queensland taxpayers to recoup more of the proceeds of criminal activity than it can under existing legislative arrangements.

In the coming year, QCC will become fully operational. In the development of the QCC, priority has been given to the operational capabilities of the Commission. While the independent status of the Commission necessitates the establishment of limited integral administrative functions, these have been kept to a minimum through cooperative arrangements with QPS. The Crime Commission is committed to delivering an efficient as well as an effective law enforcement service to the Queensland public.

In conclusion, I would like to record a vote of thanks to members of the Management Committee, the Criminal Justice Commission, the National Crime Authority and the Queensland Police Service for their valuable assistance in the establishment and transition phases of this Commission.

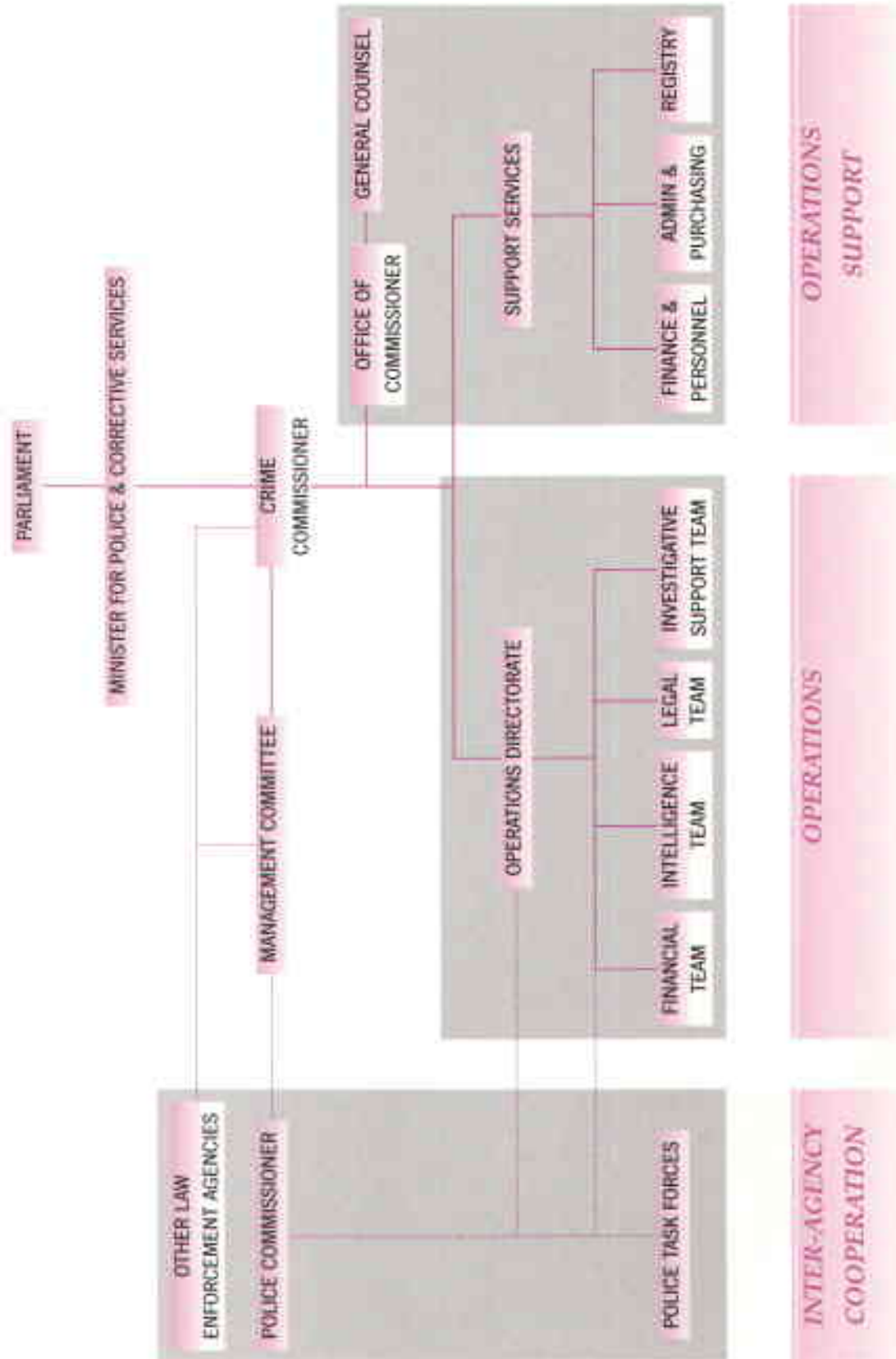
A specialised Crime Commission that continuously and proactively looks for patterns of association is far more likely to identify organised crime and paedophile activity and develop efficient and effective strategies for dealing with them than a regular police agency.

As long as there are new opportunities for the sophisticated criminal element, there will be new challenges for law enforcement. To paraphrase a US statesman, no agency is so large and powerful that it can conquer organised crime or criminal paedophilia on its own, and none is too small that it cannot make a difference.



Tim Carmody
Crime Commissioner

Organisational Chart



The Queensland Crime Commission (QCC) was established by the *Crime Commission Act 1997* to investigate major and organised crime and criminal paedophilia, and was constituted on 2 March 1998.

The Crime Commission is designed as a tightly structured, highly specialised and focused organisation that concentrates its crime fighting efforts on matters referred to it. It aims to make a positive and unique contribution to the safety and security of people in Queensland by providing an efficient and effective law enforcement service to the Queensland public.

QCC takes a leading role in the fight against organised and major criminal activity and paedophilia within the State, as well as performing a strategic intelligence function. The Commission fulfils its charter by working in cooperative partnership with other law enforcement agencies to make optimal use of available resources.

Importantly, the Crime Commission is not given exclusive power to investigate criminal activity within its investigative jurisdiction. The existence of the Commission does not in any way preclude of the Queensland Police Service or any other law enforcement agencies from operating in the same field.

Rather, the Commission plays an important value-adding role in the criminal justice system by fulfilling those functions that cannot appropriately or effectively be carried out by the Queensland Police Service or other State-based agencies; and where other investigative agencies or methods have already tried and failed, or are unlikely to succeed.

The discriminating and effective use of the Commission's special statutory powers, coupled with its specialist investigative teams enable it to deliver a highly effective crime fighting service to the Queensland public.

The Crime Commissioner leads the agency and is responsible for reporting to the Parliament through the Minister for Police and Corrective Services.

As an important accountability measure, a nine-member Management Committee chaired by the Crime Commissioner oversees the Commission's activities and generates the references that trigger the operational and investigative functions of the organisation. The exception to this is a standing reference conferred by Parliament to investigate criminal paedophilia.

Additional accountability measures include oversight by the Parliamentary Commissioner who monitors and reviews the efficiency and integrity of the Commission's intelligence function and inter-agency cooperation; and the Public Interest Monitor who acts as a protector of the public interest in relation to QCC warrant applications.

The structure of the Queensland Crime Commission reflects a multi-disciplinary team approach capable of delivering a range of professional investigative services.

The Director of Operations heads up four operational units, including a financial team, intelligence team, legal team, and an investigative support team which work collaboratively to proactively investigate organised and major crime and paedophilia. The Commission works alongside Queensland Police Service task forces that provide essential operational personnel and resources to support Crime Commission investigations.

The Commission also has a research capacity to meet its obligation to identify current and emerging forms and patterns of criminal activity and effective measures to counteract them.

QCC staff include specialists drawn from investigative, intelligence, research, information technology, legal and accounting disciplines.

Functions and Responsibilities

The functions and responsibilities of the Crime Commission are outlined in s. 28(1) of the *Crime Commission Act 1997*, which states the functions of the QCC are—

- (a) to investigate relevant criminal activity or major crime referred to it by the Management Committee;
- (b) when conducting investigations, to gather evidence for—
 - (i) the prosecution of persons for offences; and
 - (ii) the recovery of the proceeds of relevant criminal activity or major crime;
- (c) to refer evidence of official misconduct in its possession to the CJC;
- (d) to undertake tasks the Management Committee may lawfully ask QCC to undertake;
- (e) to maintain an effective intelligence service about relevant criminal activity and major crime, and to monitor the intelligence data collected with a view to forecasting trends in relevant criminal activity and major crime;
- (f) to liaise with, provide information to, and receive information from, other law enforcement agencies, including agencies outside the State or Australia, about relevant criminal activity and major crime.

Jurisdiction

The Crime Commission is tasked with investigating criminal activity referred to it and, in particular, criminal paedophilia and major and organised crime. The QCC Management Committee may issue references on the basis that investigations are unlikely to be effective using ordinary police powers, it is a justifiable use of resources, and a QCC investigation is in the public interest.

Under the *Crime Commission Act* "**criminal paedophilia**" means activities involving offences of a sexual nature committed in relation to children; or offences relating to obscene material depicting children. It is immaterial whether the offence is committed in Queensland or elsewhere if the offender or the child is ordinarily resident in Queensland.

"**Major crime**" means criminal activity, other than relevant criminal activity, that involves an indictable offence punishable on conviction by a term of imprisonment of not less than 14 years.

"**Organised crime**" means criminal activity that involves—

- indictable offences punishable on conviction by a term of imprisonment not less than 7 years; and
- two or more persons; and
- substantial planning and organisation or systematic and continuing activity; and
- a purpose to obtain profit, gain, power or influence.

"**Relevant criminal activity**" is defined as activity that involves criminal paedophilia or organised crime or is something that is—

- preparatory to the commission of criminal paedophilia or organised crime; or
- undertaken to avoid detection of, or prosecution for, criminal paedophilia or organised crime.

A reference to criminal paedophilia, major crime, organised crime or relevant criminal activity includes, in the context of investigation, suspected criminal paedophilia, suspected major crime, suspected organised crime and suspected relevant criminal activity.

Powers

The QCC's statutory powers include—

- the convening of investigative hearings;
- requiring a person to attend a QCC hearing and compulsorily answer questions about a matter under investigation;
- requiring the production of any record or thing by issuing a written notice;
- applying to a magistrate, or in specific circumstances, a Supreme Court judge for search warrants;
- installing, with judicial approval, surveillance devices; and
- with judicial approval, covertly searching a place and seizing evidence.

The Management Committee

Role and Functions

The Management Committee is a nine-member body established under the Crime Commission Act to oversee the activities of the Crime Commission and to refer matters to the Commission for investigation.

The Crime Commission is monitored and reviewed by the Management Committee and is bound by any directions or guidelines issued by the Management Committee regarding the performance of the Commission's functions or its management.

References from the Committee are generated under specific circumstances. The Management Committee has the authority and power to end an investigation if it is more appropriate or effective for another entity to investigate; or an investigation is not a justifiable use of resources; and place limits on a QCC investigation, including limits on powers that may be exercised.

The Committee is also responsible for making arrangements for the establishment of police task forces to assist with QCC investigations; approving operational agreements with other entities and giving approval for QCC to hold public sittings or hearings.

Complaints against the QCC, its members and employees are dealt with by the Management Committee and the Committee is obliged to refer matters of suspected official misconduct to the Criminal Justice Commission which has appropriate jurisdiction in this area.

Membership

The *Crime Commission Act* provides for a Management Committee composed of the following members—

- Crime Commissioner (Chairperson)
- Police Commissioner
- Chairperson of the Criminal Justice Commission
- Chairperson of the National Crime Authority
- Chairperson and Deputy Chairperson of the Parliamentary Criminal Justice Committee
- Children's Commissioner
- Two community representatives of whom at least one must be female and one must have an interest in civil liberties.

The two community representatives on the Management Committee are appointed by the Governor in Council on a part-time basis for a maximum term of three years.

Members' Profiles

The inaugural 1997/98 Management Committee appointed on 2 March 1998 includes:

Crime Commissioner (Chairperson)

Mr Tim Carmody LL B, LL M. (Hons) was appointed the inaugural Crime Commissioner in March 1998. A former Queensland Police Officer, university law lecturer and published legal writer, Mr Carmody was admitted to the Queensland Bar in 1982 and has specialised in major criminal trial and appeal work. Mr Carmody was Counsel Assisting the Connolly Ryan Inquiry into the future role, structure, powers and operations of the CJC. He has led prosecutions initiated by the Fitzgerald Inquiry's Special Prosecutor's Office, the CJC's Joint Organised Crime Task Force and the Australian Securities Commission (ASC), and has acted as a legal consultant to both the ASC and QPS in relation to major fraud and crime investigations. During the Fitzgerald Inquiry, he headed some of the inquiry's most notable organised drug trafficking and vice investigations.

Police Commissioner

Mr Jim O'Sullivan was appointed Commissioner of the Queensland Police Service in November 1992. In 1987, Mr O'Sullivan was seconded to the Fitzgerald Inquiry as the Officer in Charge of all operations and investigations, and in 1989 was promoted to Detective Superintendent attached to the Inquiry. In 1990 Mr O'Sullivan achieved the rank of Commander (Assistant Commissioner), North Coast Region and in 1991 was promoted to Deputy Commissioner, Operations.

Chairperson of the Criminal Justice Commission

Mr Frank Clair has practised extensively in criminal law since his admission to the Bar in 1971, holding at one time the position of Senior Crown Prosecutor and later, Special Prosecutor. He has been involved in a number of significant criminal trials and appeals, including matters arising out of the Fitzgerald Inquiry. He has practised in various other areas of law including other inquiries, notably as Counsel Assisting the Warden's Inquiry in respect of explosions at the Moura Coal Mine. He assumed duty as Chairperson of the Criminal Justice Commission in January 1996.

Chairperson of the National Crime Authority

Mr John Broome was appointed Chairperson of the National Crime Authority in February 1996. Mr Broome is a lawyer with extensive experience in government, having held senior positions in the Federal Attorney-General's Department and in the Department of Prime Minister and Cabinet. Mr Broome has also served as Deputy Chairman of the Trade Practices Commission, and currently chairs the Commonwealth Law Enforcement Board which advises the Commonwealth on national law enforcement issues.

Chairperson of the Parliamentary Criminal Justice Committee

Mr Vince Lester, MLA represents the State seat of Keppel and has been a member of the Queensland Legislative Assembly since 1974. Apart from his appointment as Chairman of the Parliamentary Criminal Justice Committee in April 1996, Mr Lester was a member of the PCJC between 1992 and 1995. He has held a number of Ministerial portfolios since 1983, including serving as Minister for Police.

Deputy Chairperson of the Criminal Justice Committee

Mr Gordon Nuttall, MLA has been a member of the Queensland legislature since his election to the seat of Sandgate in September 1992. Mr Nuttall was appointed as Deputy Chairman of the Parliamentary Criminal Justice Committee in April 1996 and chaired Parliamentary Estimates Committee E in 1994 and 1995. Mr Nuttall was elected Chairman of the Parliamentary Labor Party Caucus in July 1995, and has served on several Shadow and Ministerial Advisory Committees.

Children's Commissioner

Mr Norm Alford was appointed inaugural Children's Commissioner in December 1996 and presented a report on Paedophilia in Queensland to State Parliament in 1997. As the peak statutory authority representing children's welfare in the State, Mr Alford oversees the administration of children's services including the incidence of child abuse, child sexual abuse and paedophilia. Mr Alford represented the Australian States and Territories at the First World Congress Against the Commercial Sexual Exploitation of Children in Stockholm in 1996. He previously served as Assistant Director General of the Department of Education.

Community and Civil Liberties Advocate

Ms Susan Johnson is a consultant on legal and research matters in the criminal justice and policing sphere. Ms Johnson served seven years at the Research and Co-ordination Division of the CJC, rising to Assistant Director. She participated in the review of police powers and prostitution law, and as a Crown Prosecutor specialised in child abuse matters. Ms Johnson has also worked with the Legal Aid Office and represents a broad range of community interests and views through her involvement in extensive public consultations on major policy issues.

Community Representative

Mrs Sherrie Meyer has extensive experience as a community representative and victim's advocate both in Australia and in the United States. Mrs Meyer co-founded and was inaugural President of the Queensland Homicide Victims' Support Group, and is the group's northern contact person. She is the national representative of the U.S.-based Parents of Murdered Children, is a court support officer for the Victims of Crime Association (Cairns), co-chairs the Cairns Compassionate Friends Group, and has worked with and represented abused children.

Report of Management Committee



Inaugural Management Committee Members. Seated: Assistant Commissioner Graham Williams (representing Mr Jim O'Sullivan), Mr Tim Carmody, Mr Frank Clair. **Back:** Mr Norm Alford, Mrs Sherrie Meyer, Mr Marshall Irwin (representing, Mr John Broome), Ms Susan Johnson. **Absent:** Mr Vince Lester MLA, Mr Gordon Nuttall, MLA

The Queensland Crime Commission Management Committee met three times during the financial year.

The Committee convened its first meeting on 30 March to review the establishment and transitional phases of the Crime Commission.

Legislative amendments formally transferring responsibility for the investigation of organised and major crime from the Criminal Justice Commission to the Crime Commission took effect on 15 May 1998.

Chairperson of the Criminal Justice Commission, Mr Frank Clair briefed the Management Committee as to each current matter being undertaken by the Joint Organised Crime Task Force (JOCTF) to enable the Committee to determine whether each matter should be referred to the Queensland Police Service, the Crime Commission or another law enforcement agency.

In its deliberations, the Committee emphasised that the transition should be effected in such a way that the continuity and integrity of JOCTF operations should not be compromised, and that the transition should be as smooth and seamless as possible.

It was resolved that the movement of those JOCTF staff transferring to QCC should be concurrent with the transfer of its investigations, and arrangements to expedite staff transfers were accordingly agreed.

The Committee further agreed that the CJC would simultaneously identify and transfer to QCC all intelligence holdings and confidential sources pertinent to JOCTF investigations. The CJC readily undertook to provide all information and other assistance required to enable the QCC to assume JOCTF activities. The transfer of the organised crime responsibility and associated JOCTF intelligence holdings and investigative activities was successfully achieved.

The Management Committee gave its further approval for the development of operational agreements governing joint operations and information sharing between law enforcement agencies and other entities.

During the period under review operational agreements between QCC and a number of other law enforcement agencies were significantly advanced.

The Committee issued five organised crime related references during the reporting period, with a sixth reference falling under the provisions of the standing reference to investigate criminal paedophilia. Three references were generated on the recommendation of the Police Commissioner, with the seventh reference relating to QCC participation in national task forces.

The Committee formalised arrangements for the receipt of complaints against QCC, its members and officers, per s.51 of the *Crime Commission Act*. There were no complaints registered during the reporting period.

Management Committee endorsed the temporary engagement of Mr John Callanan as Acting QCC General Counsel.

A standardised format for status reports was also agreed to enable the Committee to discharge its function of reviewing and monitoring the work of the Commission.

Operations

The Crime Commission's capacity to carry out successful organised crime investigations is enhanced by its multi-disciplinary team approach. The Commission's operational structure is divided into four teams that provide the multi-disciplinary expertise to support QCC investigations—

- **Financial Investigations Team**
- **Intelligence Team**
- **Legal Team**
- **Investigative Support Team**

External consultants may provide additional professional services to QCC as required.

It is the explicit legislative intention that the investigation of criminal activity be conducted by the Crime Commission and other law enforcement agencies working cooperatively to achieve optimal use of available law enforcement resources. In this respect the Crime Commission's operational teams work alongside police task forces on QCC or joint investigations to make effective use of available resources and maximise investigative outcomes.

Operations Directorate QCC's four teams are headed by the Director of Operations who monitors performance and facilitates the multi-disciplinary approach at a management level. In consultation with QPS management, the Director of Operations participates in the development of operational directions and guidelines for QCC and task force investigations. The Directorate is responsible for facilitating interaction with other law enforcement agencies, to ensure mutual cooperation and prevent duplication.

QCC's **Financial Investigations Team** draws on the expertise of financial investigators to detect money trails and identify the profit makers behind targeted criminal activities. The team provides assistance, advice and guidance regarding sophisticated financial investigations and confiscation matters. It conducts proactive probes in partnership with QCC's Intelligence Team, particularly into suspected criminal enterprises and money laundering matters. The team also prepares matters for court presentation and provides professional evidence as required.

The **Intelligence Team** is comprised of intelligence analysts who proactively assess and target high risk areas. The team provides strategic intelligence assessments and forecasts regarding organised criminal activity and major crime; and delivers an ongoing overview of criminal paedophilia. The team continuously monitors and evaluates available data and conducts proactive intelligence probes to identify criminal activities and develop new targets. Intelligence analysts work in partnership with other law enforcement agencies and contribute tactical and operational support to task forces carrying out QCC investigations.

The QCC **Legal Team** comprises specialist lawyers to enhance the effectiveness of the QCC's wide range of law enforcement powers. The team provides legal advice to investigations and task forces, as well as providing legal support to the Intelligence and Financial Teams in the conduct of their duties. The Legal Team participates in QCC hearings as required, assist in the preparation of notices, warrant applications and other documents and has carriage of all applications for judicial approval of the use of QCC's coercive powers.

QCC's **Investigations Support Team** includes experienced police officers who deliver vital operational support services. The team assists the Financial, Intelligence and Legal Teams to fulfil their duties by facilitating and performing field interviews or assisting with the conduct of investigative hearings. One of the key functions of the team is to develop and maintain information sources as appropriate, and assist with the interview, assessment and registration of informants. The Investigation Support Team is made up of police officers who may exercise the powers of an "Authorised QCC Officer", as well as the powers ordinarily available to Queensland police officers under the *Police Powers and Responsibilities Act*.

Police Task Forces

Police task forces provide essential operational personnel and resources, including field support, technical assistance and surveillance to assist QCC investigations. They are under the control and direction of the Police Commissioner unless the Management Committee determines otherwise.

Operations Support

Operations Support provides essential services to ensure the Crime Commission is able to fulfil its statutory functions and responsibilities and meet its operational objectives effectively. The Commission's operations support teams have a range of functions that ensure the agency operates with independence, integrity, accountability, professionalism and efficiency.

Operations support is provided through two key areas—

- **Office of the Commissioner**
- **Support Services**

To avoid unnecessary duplication, and in order to maximise the agency's operational capabilities, higher level corporate support is provided by the Queensland Police Service on a remunerative basis.

External consultants may provide specialist professional advice and services to the Commission as required.

The **Office of the Commissioner** provides coordination, strategic level advice and executive support to the Commissioner to assist in the management of the Commission. The Office liaises with all other functional areas of the Commission to enhance the effective and integrated management of the Commission's key functions.

Security matters are also the responsibility of the Office of Commissioner.

In addition, the Office of the Commissioner supports the information management function essential to the integrity and security of QCC's information systems.

The Office of the Commissioner further establishes and maintains appropriate liaison between the Commission and Executive Government, the Queensland Police Service, other law enforcement agencies and other entities.

The Office of the Commissioner is the executive secretariat of the Management Committee, and as such, is responsible for supporting the Committee in its statutory role of reviewing and monitoring the work of the Commission.

Specialist library and research services are provided to the Commission's operational groups through the Office of the Commissioner. The unit undertakes special project work across the span of QCC functions.

General Counsel provides advice and assistance to the Commissioner in relation to legal, evidentiary and procedural issues affecting the performance of functions and exercise of investigative powers under the *Crime Commission Act*.

The **Support Services** group provides professional administrative support essential to the efficient and independent operation of the Commission. The group is comprised of three teams— Registry, Administration and Purchasing and Finance and Personnel.

Registry provides records management services for the Commission. Apart from providing an information retrieval and dissemination service, the unit preserves records pertaining to the use of the Commission's statutory powers, including notices to produce, attendance notices and arrest warrants. Registry also maintains registers relating to surveillance and covert search warrants required under the *Crime Commission Act* which are subject to inspection by the Parliamentary Commissioner and the Public Interest Monitor.

Operations support is also provided by way of the register of exhibits obtained through hearings and warrants. QCC utilises the QPS secure storage facility for certain types of evidentiary material.

The **Finance and Personnel** section provides human resource management and financial services to the Commission. Responsibilities include formulation of the budget and contributing to the development and implementation of policies, procedures, and management systems that support effective and efficient operation. The unit also ensures QCC meets its accountability requirements under various Acts.

Administration and Purchasing provides professional administrative support to the Commission, ensuring all purchases, contracts and tenders comply with State Purchasing Policy guidelines.

Responsibilities also include asset management and transcription services.

H ighlights of 1997 - 1998

Establishment and Transition

- Establishment on 2 March 1998 with appointment of Crime Commissioner and nine-member Management Committee.
- The transition phase commenced on 3 April 1998 with the responsibility for the investigation of organised crime shared with the CJC and the QPS. Commencement of amendments to the Criminal Justice Act 1989 on 15 May 1998, formally transferred the CJC's organised crime jurisdiction to QCC.

The Management Committee

- Management Committee convened its first meeting on 30 March 1998, followed by meetings on 21 April and 9 June 1998.
- The Committee issued seven references – six relating to organised or major crime, one relating to criminal paedophilia.
- Established secretariat support for the Management Committee, including protocols for liaison with the Committee.

Operations – Investigations/Intelligence

- Launched Project Axis, a joint strategic project with the QPS aimed at minimising the commission of serial or systematic sex offences against children. Project Axis will in turn generate tactical investigations to target offenders and paedophile networks.
- Joined with QPS in Project Krystal, a strategic assessment of organised crime in Queensland, including the evaluation of criminal threat to public safety.
- Six arrests on 65 charges resulting from referenced joint QCC-QPS investigations.

Inter-Agency Cooperation

- Advanced operational agreements with Queensland Police Service and other state and national law enforcement agencies.
- Participated in five joint task force operations with QPS.
- Participated in three NCA-led national task forces relating to organised crime.

Administration and Accountability

- Prepared Corporate Support Service Level Agreement with QPS.
- Moved to purpose designed premises vacated by another law enforcement agency.
- Commenced installation of Commission's information management systems.
- Established registers for exhibits, notices and warrants.
- Commenced operational procedures and policy manual.
- Commenced QCC's strategic plan.
- Began implementation of QCC's recruitment plan, giving priority to the operational capabilities of the agency.

Operations – Investigations/Intelligence

- Complete Project Axis, advancing to public sittings, and publish Project Axis report.
- Generate tactical operations from Project Axis, targeting serial and systematic paedophile activities.
- Complete Project Krystal with QPS and develop strategic direction for QCC's future organised crime investigations.
- Identify targets for tactical organised crime investigations.
- Progress investigations being conducted under seven existing QCC references current at 1 July 1998 and investigate matters under any new references issued by the Management Committee.
- Continue participation in referenced national organised crime task forces.
- Realise the Commission's investigative hearings capacity to advance referenced operations.

Inter-Agency Cooperation

- Finalise operational agreements with other law enforcement agencies and other entities.
- Continue joint operations with QPS and other law enforcement agencies.
- Participate in information and intelligence sharing with other enforcement agencies.

Administration and Accountability

- Draft submissions on law reform issues including amendments to the Crime Commission Act; confiscation of proceeds of crime; telephone interception; and covert operatives.
- Finalise detail of second tier corporate support arrangements with QPS.
- Complete implementation of QCC's recruitment strategy.
- Establish QCC Enterprise Bargaining Agreement, finalise EEO Management Plan, Human Resources Management Plan and Code of Conduct.
- Finalise the Commission's Strategic Plan, Operational Plan, Information Management Strategy and Physical Assets Strategic Plan as required under the Financial Administration and Audit Act.

Investigations

The Commission is required to investigate relevant criminal activity or major crime referred to it by the Management Committee.

When conducting investigations, the Commission gathers evidence for the prosecution of persons for offences, and the recovery of the proceeds of relevant criminal activity or major crime.

Investigative Methodology

The Commission's specialist resources are primarily dedicated to long range strategic and proactive investigations, the success of which require access to QCC's special powers and multi-disciplinary methodologies.

The QCC focuses its investigations on illegal industries, markets and commodities, targeting criminal networks and organisations as well as individuals involved in the concern.

The Commission's strategy against organised crime and criminal paedophilia involves—

- Cooperation among the various law enforcement agencies;
- An integrated criminal intelligence service that actively identifies and collects intelligence on individual criminals and criminal organisations;
- Proactive investigations carried out by multi-disciplinary investigative teams;
- Strategic use of investigative powers; and
- Research into the trends of organised criminal activity and paedophilia.

QCC's investigative methodology places a heavy reliance on the pursuit of the money trail through detailed financial analysis at both the intelligence and tactical phases of its operations for the purposes of prosecution and confiscation.

Number of charges by type of charge resulting from referenced QCC-QPS joint operations

Unlawfully possess motor vehicle	23
Possess tainted property	40
Possess dangerous drug	2
TOTAL	65

Current References

During the period under review, seven matters were referred by the Management Committee to the Commission for investigation.

Of these seven, three matters were transferred from the Criminal Justice Commission, three references were accepted by the Management Committee on the advice of the Police Commissioner, and the remaining reference related to QCC participation in national task forces.

Six of the seven references relate to organised criminal activity, with the remaining reference being an investigation into suspected criminal paedophilia.

For reasons of security and the requirements of the Act that individuals not be named, details of activities under all references are not provided. The Management Committee is furnished with detailed monthly reports on the progress made in each reference.

Property seized resulting from referenced QCC-QPS joint operations

Property	Qty	\$ Value
Heroin	7 grams	
Cannabis	500 grams	
4WD Vehicles	28	\$280,000

Reference No. 1/98

This matter was referred to QCC on 30 March 1998 subsequent to the transfer of the Criminal Justice Commission's organised and major crime function. The operation is being undertaken by a joint task force involving state and national law enforcement agencies and targeting drug trafficking and property offences in Queensland.

Officers transferred from the CJC's Joint Organised Crime Task Force have remained assigned to the operation to ensure the continuity and ongoing integrity of investigations. The investigation is continuing.

Reference No. 2/98

This reference took effect on 30 March 1998 following Management Committee approval for the matter's transfer from the Criminal Justice Commission. The reference focuses on drug production and distribution in south-east Queensland.

An intelligence assessment of this matter is being completed with the assistance of a financial investigator, and will guide the development of further operational strategies.

Reference No. 3/98

This matter was referred to QCC on 30 March 1998 subsequent to the transfer of the CJC's organised crime functions. The matter relates to commercial drug production and wholesale drug distribution in regional Queensland, and is currently subject to an intelligence assessment.

Reference No. 4/98

This investigation into a major distribution network involving dangerous drugs was commenced following a reference granted on 30 March 1998. This is a continuing joint QCC-QPS operation involving a police task force and dedicated multi-disciplinary team resources.

Reference No. 5/98

This operation received a reference on 30 March 1998 and investigative work was conducted by a police task force. The operation targeted individuals suspected of being involved in receiving and possessing a large number of stolen four-wheel drive vehicles.

The task force seized 93 vehicles – of these ten were confirmed as being stolen and a further 20 were found to have altered or inconsistent identifying particulars, leading to suspicion they may have been stolen.

The referenced QCC-QPS joint operation resulted in the criminal activity being closed down. Four offenders were charged with a total of 63 offences, and 28 four-wheel drive vehicles valued at \$280,000 were seized.

Use of powers under Police Powers and Responsibilities Act in organised and major crime and criminal paedophilia investigations (1997/98)

Search warrant	4
Surveillance warrant	3

Reference No. 6/98

As a matter involving suspected paedophile activity, investigations were initiated as part of the Commission's standing reference to investigate criminal paedophilia. The Management Committee was informed of the details of the operation and the reference was noted on 30 March 1998. Investigations into this matter are continuing.

Reference No. 7/98

This reference relates to QCC participation in Queensland Government references to the National Crime Authority and relevant national task forces. The reference was issued by the Management Committee on 9 June 1998 and authorises QCC involvement in three separate task forces investigating offences including organised drug trafficking, money laundering, property crime and violence against the person.



Cannabis plants seized in a joint QCC/QPS operation

Arrests and Prosecutions

Six offenders were arrested on 65 charges resulting from referenced joint QCC and QPS operations in the final six weeks of the financial year. Arrests were made under the Queensland Criminal Code and the Drugs Misuse Act by Queensland Police Service officers.

Confiscations

The Commission's Financial Investigations Team is principally responsible for identifying and targeting assets held by criminals for confiscation. During the financial year, the team began profiling the assets of ten criminal targets associated with QCC investigations. Assets valued in excess of \$3 million were under surveillance.

No conviction-based confiscation proceedings under the Crimes (Confiscation) Act 1989, currently administered by the Department of Justice, were mounted in the four months of the financial year under review.

Use of Powers

The legislative philosophy of the *Crime Commission Act* is that the successful investigation of organised and major crime and paedophilia requires the ability to access a range of special investigative powers not ordinarily available to the Police Service.

QCC adds value to the overall investigative capacity of State law enforcement agencies through its hearings and coercive powers.

QCC is conscious that its powers must not only be exercised accountably and effectively, but that they must also be used proportionately, discriminatingly and with minimum compromise to the rights of individuals.

Task forces also make effective use of police powers available under the *Police Powers and Responsibilities Act 1997* to investigate Crime Commission references.

Powers	Section	Qty
Notice to a Unit of Public Administration	73	-
Search warrant	74	-
Search to prevent loss of evidence	76	-
Surveillance warrants	82	1
Emergency use of surveillance devices	83	-
Covert search warrants	88	1
Notice to produce	93	2
Attendance notice	95	-
Arrest warrant	97	-
General power to seize evidence	99	-
Hearings	100	-

Legal Proceedings

Appeals

The *Crime Commission Act* provides for a person to claim reasonable excuse or legal professional based privileges against answering a question or producing a document or thing. The Commission is required to determine whether such a claim of privilege is justified, however under s.109 of the Act, a person may seek leave to appeal to the Supreme Court against a decision by the Commission. During 1997/98 there were no applications to appeal or appeals under s.109 of the Act.

Court Proceedings

The Commission was not involved in any court proceedings during the period under review.

Legal Assistance

Under the *Crime Commission Act* persons who have been given a notice to attend a QCC hearing or who wish to appeal, or have appealed to the Supreme Court under s 109 of the Act are entitled to apply to the Attorney-General for financial assistance to obtain legal representation. The level of the assistance and any conditions attached to it are determined by the Attorney-General. The cost of the financial assistance must be met by QCC.

There were no applications or subsequent orders to pay legal assistance costs during 1997/98.

Inter-Agency Cooperation

The Commission is committed to cooperation with other law enforcement agencies and other bodies at state and national levels.

The composition of the Management Committee which includes representation from the Queensland Police Service, the Criminal Justice Commission, the National Crime Authority and the Children's Commission, promotes liaison, cooperation and partnership between these agencies.

During 1997/98 work commenced on establishing formal operational agreements or letters of exchange and related protocols with almost 100 entities including – the Australian Bureau of Criminal Intelligence (ABCI), Australian Federal Police (AFP), Australian Security Intelligence Organisation (ASIO), Interpol, Australian Securities and Investment

Commission (ASIC), Australian Transaction Reports and Analysis Centre (AUSTRAC), Australian Customs Service and the NSW Crime Commission.

Relationship with Queensland Police Service

The Commission's principal operational relationship is with the Queensland Police Service. The Commission and QPS have developed a cooperative and productive working relationship that avoids unnecessary duplication of law enforcement resources.

The QPS contributes to Commission investigations by providing fully resourced police task forces to assist QCC investigations under arrangements between the Police Commissioner, the Crime Commissioner and the Management Committee. Task forces remain under the control of the Police Commissioner and joint operations management structures are put in place to oversee the conduct of each task force assigned to QCC investigations.

QPS participated in six joint operations with QCC during the four month period under review.

Transition from the CJC

On 15 May 1998 the CJC's jurisdiction over organised and major crime ceased and the Joint Organised Crime Task Force (JOCTF) established by the CJC in conjunction with QPS was formally dissolved. As part of the transition to QCC, the three principal operations then being conducted by the JOCTF became the subject of QCC references, and many of the police and civilian members of the JOCTF transferred to the QCC, enabling the ongoing work of the JOCTF to proceed with minimal disruption.

QCC Role In National Task Forces

Investigations under national references are coordinated by the National Crime Authority. National Coordination Committee meetings are convened quarterly and QCC has been accepted as a full member agency. The Director of Operations represented the Commission at the June 1998 meeting. QCC is a participant in Regional Coordination meetings held quarterly in Brisbane to manage current Queensland investigations under national task force references.

Standing Committee on Organised Crime and Criminal Intelligence (SCOCCI)

Following the establishment of the Commission, the Chairman of the National Crime Authority initiated an action to amend the SCOCCI's Memorandum of

Understanding enabling the Crime Commissioner to become a member of that forum. The SCOCCI MOU is an agreement between Ministerial members of the Inter-Governmental Committee on the NCA (IGC/NCA) and the motion to include the Commission as a member of SCOCCI is expected to be formalised early in the new financial year. The Crime Commissioner attended the April 1998 SCOCCI meeting as an observer.

Intelligence

The *Crime Commission Act* requires QCC to maintain an effective intelligence service about relevant criminal activity and major crime, including monitoring intelligence data to forecast trends and patterns in criminal behaviour.

Liaison and intelligence sharing with other law enforcement agencies both within and outside the State are key factors in the Commission's intelligence activities. During the reporting period, the Commission sought to establish its criminal intelligence database system and link its activities into relevant state-based and national intelligence agencies— notably the QPS Bureau of Criminal Intelligence (BCIQ) and the Australian Bureau of Criminal Intelligence (ABCI).

The Commission's criminal intelligence system utilises the Australian Criminal Intelligence Database (ACID) which facilitates mutual information sharing with other law enforcement agencies and provides the mechanism for strategic overview of emerging trends and criminal threats to the Queensland community. Memoranda of Understanding between specific agencies will govern the information dissemination process.

During the period under review, operational intelligence was provided in support of current investigations and the Commission commenced participation in two major strategic intelligence projects, codenamed Axis and Krystal. These projects will in turn generate future investigative operations, focusing on specific criminal targets and criminal enterprises.

QCC Intelligence Activities (1997/98)

Number of voluntary disseminations of intelligence	-
Number of dissemination requests from other agencies	-
Number of strategic intelligence projects	2



Firearms seized in a joint QCC-QPS task force operation

Special Projects

Project Axis

In line with its legislative responsibilities QCC commenced a comprehensive 12-month inquiry into criminal paedophilia. Project Axis is a joint QCC/QPS initiative that adopts a multi-disciplinary approach to the investigation and minimisation of criminal paedophilia, particularly the commission of serial and systematic offences.

During the course of the operation QCC will utilise the intelligence and investigative resources of both agencies, drawing on the expertise of specialist staff from the intelligence, research, investigative, information technology, legal and accounting disciplines.

A key objective of the Axis project is the development of an effective, holistic strategy to identify and prosecute offenders, and promote an environment that minimises the opportunity for these crimes to occur.

The project will assess and prioritise relevant risks and systemic deficiencies that allow offences to take place, identify the defining characteristics of serial and systematic offenders and their victims, the nature, causes and prevalence of the problem of serial offending and its present and likely impact on Queensland society.

Project Axis will draw on the experience of all agencies that have a stake in the prevention and detection of criminal paedophilia in order to identify offenders and the conditions under which paedophilia offences occur.

Proactive measures will be taken to identify, investigate and prosecute criminal paedophile offenders, utilising the specialist abilities of the joint project staff and in conjunction with QPS Task force Argos.

The project will also identify best practice for the investigation of complaints and the tactical targeting of organised paedophile networks in order that effective, long-term investigative strategies can be developed.

Axis aims to develop effective monitoring procedures and identify areas for law reform so as to protect children from the risk of exposure to paedophiles in the home, educational and social environments.

Project Krystal

Project Krystal is a strategic scan of the criminal landscape in Queensland conducted in partnership with QPS. It will critically assess the nature and extent of organised criminal activity in Queensland, examine specific areas of criminality and the environmental factors that impact on them, as well as evaluating the current and future risks such criminal activities present to the community.

An important component of the project is the development of comprehensive risk assessment methodologies to permit the ongoing monitoring, review and analysis of criminal activities in the State.

In this way the project will provide a reference point for the allocation of the Commission's intelligence and investigative resources on an ongoing basis, and will facilitate the development of new competencies and more efficient law enforcement strategies in the longer term.

The evaluation of particular criminal activities or industries, and the relative threat they represent, will be the focus of the Krystal project.

Intelligence will be drawn from a diverse range of local, interstate and overseas law enforcement, government, academic and community sources to develop an up to date and accurate picture of organised criminal activity in this State.

A dministration and **A** ccountability

Accountability

During the reporting period, the Commission provided detailed briefs of its activities to the Management Committee on each of the occasions it met.

The Commissioner provided further briefs to the Minister for Police and Corrective Services regarding the agency's operations on a regular basis.

Meetings were also convened with the Parliamentary Commissioner and Public Interest Monitor to initiate discussions on liaison, policies and procedures between the respective agencies and the Commission.

Complaints against Commission Staff

The Commission is required to refer complaints against QCC staff to the Management Committee. If the Management Committee receives a complaint that provides evidence of official misconduct against QCC or a QCC officer, the Committee must refer the complaint to the CJC. The Committee may deal with matters other than official misconduct in a manner it considers appropriate, including making inquiries or referring the complaint to another entity for action. Procedures were developed to report complaints against QCC to the Management Committee. No complaints were registered during the reporting period.

Code of Conduct

Work commenced on a draft code of conduct to cover all Commission employees. A training package will be developed in the 1998/99 year to support implementation of the finalised Code of Conduct. It is intended that an electronic version of the Code of Conduct will be accessible to all Commission staff on the information management system.

QCC also commenced the formulation of internal anti-corruption and integrity measures.

Freedom of Information

The Commission did not receive any Freedom of Information requests during 1997/98 year.

Whistleblower Protection

Under the *Whistleblowers Protection Act 1994*, the Commission is required to report the number of public interest disclosures received. No public interest disclosures were made to the Commission in 1997/98.

Operations Support Activities

The Commission's operations support functions are provided through a compact group providing essential management and administration services.

Supplementary corporate support activities are performed by the Queensland Police Service under a Corporate Support Service Level Agreement.

Corporate Support Service Level Agreement

Corporate support systems such as the human resource management system, SAP R/3 financial management system and advisory services necessary for effective management are provided to the Commission by the Queensland Police Service. QPS receives a fee for service for providing this support. Savings are anticipated through this method of operation as it negates the need for QCC to purchase and operate its own management systems.

Service Level Agreements with specific service providers within QPS are expected to be finalised in 1998/99. These agreements will define the particular service objectives and agreed standards of service.

Corporate Planning To meet its obligations under the *Financial Administration and Audit Act*, work began on the Commission's inaugural Strategic Plan in the 1997/98 financial year and continued into the new reporting period. The Strategic Plan will form the foundation of the Commission's activities over the period from 1998/99 through to 2000/01.

Policy and Procedures Work commenced on establishing policies and procedures governing all aspects of QCC activities.

QCC Library A Library Committee was convened to identify key resources necessary to establish a specialised library collection relevant to the QCC's statutory functions. To minimise duplication of resources the QCC library seeks to make efficient use of other law enforcement libraries including the QPS Headquarters Library, the Police Academy, Criminal Justice Commission and National Crime Authority libraries. The Commission established reciprocal borrowing rights with other libraries to expand its access to relevant collections. Current awareness services are received from the CJC, NCA and AFP. Acquisitions are generally limited to items considered essential to the effective operation of the QCC.

Information Management The Commission installed administrative and operational information management systems to support collection, storage and retrieval of data from paper based and electronic sources. The information system has been designed to support the specific needs of intelligence gathering with the inclusion of specialist analytical tools.

The computer systems provide secure access to other law enforcement agencies for the sharing of intelligence data, both locally and across national and international networks. The Commission's information systems have been constructed to enable integration and support from within the QPS information management environment. The Commission's systems are able to support both QCC operations and joint task force operations with QPS.

Finance Revenue, expenditure, assets and liability reporting systems were established in accordance with the Financial Management Standard. The Commission's financial records are audited annually by the Queensland Audit Office.

Administration and Purchasing Activities primarily concentrated on physical asset procurement and establishing asset management controls and an asset register. The unit commenced drafting of purchasing policies and procedures.

Consultancies The Commission did not engage consultancies during 1997/98.

A **Records Management** system, including relevant registers, was established to secure, catalogue and maintain QCC documents.

Office Accommodation The Commission was able to move to the purpose-designed former premises of the National Crime Authority at Milton.

Existing furniture and fittings were purchased from the NCA, as was a high grade security system. QCC negotiated significant one-off savings of \$260,000 as part of its lease agreement.

Overseas Travel The Commissioner travelled to New Zealand in April 1998 to attend the SCOCCI (Standing Committee on Organised Crime and Criminal Intelligence) conference at a total cost of \$5,055.

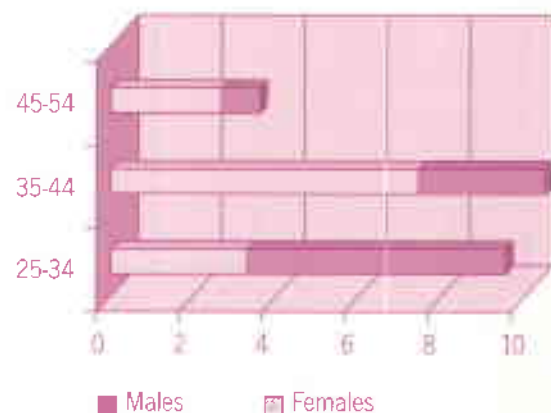
Management Committee Expenses Expenses incurred on behalf of the Management Committee to the 30 June 1998 total \$11,845, including pro-rata annual payments to the community representatives on the Committee, travel and accommodation costs.

Personnel The Commission began implementation of its recruitment strategy, giving priority to the development of operational capabilities. As at 30 June 1998 QCC had a staffing complement of 22, comprised of one Commissioner, 14 operational personnel, two sworn police and 5 administrative staff. Operations staff are supplemented by QPS officers in order to maximise the use of available law enforcement resources. The Commission's recruitment plan will realise a staffing complement of 41, depending on financial resources. Work commenced on establishing QCC's first Enterprise Bargaining Agreement, human resource management and staff development and training plans.

Staffing by Division as at 30 June 1998



Employees by Sex and Age



Equal Employment Opportunity			
EEO groups as % of total staff			
Women	NESB	ATSI	Disabilities
10 (45.5%)	2(9%)	0(0%)	0(0%)

Queensland Crime Commission

OPERATING STATEMENT

for the period 2 March 1998 to 30 June 1998

	Note	1998 \$'000
Operating Expenses		
Employee expenses	3	471
Supplies and services		434
Depreciation expense	4	25
Other expenses (Audit Fees)	5	3
Total Operating Expenses		<u>933</u>
Operating Revenues from Independent Sources		
Other-Services received free of charge		<u>85</u>
Total Operating Revenues from Independent Sources		<u>85</u>
NET COST OF SERVICES:		<u>848</u>
Revenue from Government		
Grant through the Department of Police	6	<u>1,325</u>
Total Revenue from Government		<u>1,325</u>
Increase (decrease) in Net Assets	13	<u>477</u>

The above statement should be read in conjunction with the accompanying notes

Queensland Crime Commission
STATEMENT OF FINANCIAL POSITION
as at 30 June 1998

	Note	1998 \$'000
CURRENT ASSETS		
Cash	7	23
Receivables	8	Nil
Other (Prepayments)	9	4
Total Current Assets		<u>27</u>
NON-CURRENT ASSETS		
Property, plant and equipment	10	796
Total Non-Current Assets		<u>796</u>
TOTAL ASSETS		<u>823</u>
CURRENT LIABILITIES		
Creditors	11	70
Provisions (Employee Entitlements)	12	80
Total Current Liabilities		<u>150</u>
NON-CURRENT LIABILITIES		
Provisions (Employee Entitlements)	12	196
Total Non-Current Liabilities		<u>196</u>
TOTAL LIABILITIES		<u>346</u>
NET ASSETS		<u>477</u>
EQUITY		
Accumulated Surplus	13	477
TOTAL EQUITY		<u>477</u>

The above statement should be read in conjunction with the accompanying notes

Queensland Crime Commission
STATEMENT OF CASH FLOWS
for the period 2 March 1998 to 30 June 1998

	Note	1998 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Inflows:</i>		
User charges		Nil
<i>Outflows:</i>		
Employee expenses		(196)
Supplies and services		<u>(291)</u>
Net cash used in operating activities	24	(487)
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Outflows:</i>		
Payments for property, plant and equipment		<u>(815)</u>
Net cash used in investing activities		(815)
CASH FLOWS FROM GOVERNMENT		
<i>Inflow:</i>		
Grant through the Department of Police		<u>1,325</u>
Net cash provided by Government		1,325
Net (decrease) in cash held		(1,302)
Cash at beginning of financial year		<u>Nil</u>
Cash at end of financial year	7	<u><u>23</u></u>

The above statement should be read in conjunction with the accompanying notes