



QUEENSLAND CRIME COMMISSION
Annual Report 1999 - 2000

Mission

To combat organised and major crime and criminal paedophilia by utilising specialised, innovative and effective law enforcement services and expertise

Outcomes

*We contribute to the State Government priority:
Safer and more supportive communities*

Communication

Objective

This annual report provides a record of the Queensland Crime Commission's activities and achievements during the 1999–2000 year. The document is aimed at informing a range of stakeholders, which include the QCC Management Committee, the Minister for Police and Corrective Services, the Queensland Parliament, State and Commonwealth Government agencies, the Queensland Police Service and other law enforcement agencies, academia, community-based organisations, and the general public.

This report contains a profile of the agency, its mission, structures, the strategies

employed to meet its corporate objectives and statutory obligations, and its performance in achieving its objectives. The factors that have affected the agency's outcomes during the year, and the Commission's outlook for the 2000–01 year are also examined. In particular, the report provides an account of the achievements relevant to the two outputs identified in the QCC's Strategic Plan: investigations and intelligence.

Importantly, this document details how the Queensland Crime Commission has added value to the policing and investigative capacity of the State and has assisted in fighting

organised and major crime and criminal paedophilia. The compatibility of QCC activities with State Government policies and priorities, and the way these contribute to fulfilling broader community expectations, are also outlined in this report.

The information for this annual report is derived from the QCC's current Strategic Plan, the QCC Ministerial Portfolio Statement, Budget papers, Management Committee proceedings and briefings to the QCC Management Committee, and personal contributions by QCC's Executive Management Group, principal officers and other key personnel.

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Commissioner's *Perspective*

For the second full year of its operation the Commission set its sights on building its reputation for professionalism and performance in the field of criminal intelligence and investigation. Its endeavours to take a more effective and better targeted approach to counteracting organised and major crime have helped to win public confidence in its abilities and to earn trust and respect within the Australian law enforcement community.

Thanks to the skill, dedication and energy of its small but talented and committed staff — most, if not all — of the goals the Commission set for itself in 1999–2000 were met and, I am pleased to say, the Commission now seems to enjoy broad political, professional and public approval.

The outstanding achievements recorded in this report reflect the genuine determination of all QCC officers to do everything they can to make Queensland an inhospitable place for serious criminal activity.

QCC also owes much of its success this year to the goodwill, cooperation and generous assistance it received from bigger and comparatively better resourced agencies, especially the Queensland Police Service.

There is, however, no place for complacency. QCC is still a young agency. It has much to learn and many improvements to make. Rapidly changing domestic and international circumstances and technological advances, especially improvements in communication links and information exchange systems, are creating new and greater threats to society and adding challenges for law enforcement.

As time goes on, organised and major crime will become increasingly difficult to detect and control by traditional means. Investigative powers, methods, technologies, inter-agency relationships and the approach to recruitment and training will all have to change if specialist criminal investigation agencies are to anticipate and keep pace with emerging crime categories like money laundering and other enterprise based crimes.

There also needs to be a much higher level of dialogue and collaboration between law enforcement and the private banking, financial, business investment and forensic accounting sectors, through secondment arrangements, cross training and pooling of expertise. A more cooperative approach would reduce the risk of the public interest in the detection of financial crime being ignored or overshadowed by competing private interests.

QCC has always recognised the central importance of attacking the profit motive underpinning organised criminal activity generally, and drug trafficking in particular. This is why it has, since its inception, moved steadily towards carving out a specialist jurisdictional niche in financial crime and has concentrated much of its effort on developing and implementing radical new strategies aimed at reducing the profit making potential and wealth accumulating capacity of organised crime.

Thus, in the coming year, as well as continuing to promote inter-agency cooperation by participating in combined operations and sharing information and expertise with its partner agencies, the Commission will be placing increasing emphasis on the financial aspects of crime. It proposes to do this by expanding the existing structure and membership of its financial investigations team to accommodate a dedicated money laundering and economic crime fighting function and pressing for the additional investigative powers and resources it needs to succeed. QCC's goal is to financially incapacitate major criminal figures and deter them from setting up their illegal businesses here in Queensland.

QCC will also continue to discharge its criminal paedophilia function in a way that gives practical expression to the clear intent of the legislation by adopting a proactive — rather than reactive — research-based and intelligence-driven approach to targeting compulsive, serial, organised or networked paedophile offenders.

The Commission is determined to make a unique and worthwhile contribution to effective criminal investigation and to cement a permanent place for itself in the State law enforcement community by complementing, rather than competing with or duplicating, the work being done by its partner and allied agencies. However, it can only do this if it has its own sense of purpose, is given the appropriate powers, is adequately resourced and has the general support of the government and the wider community.

I would also like to take this opportunity to say farewell to Jim O'Sullivan APM who retires in November after 8 years as Commissioner of Police.

Mr O'Sullivan has done everything he could to help launch, foster and secure the future of QCC and I would like to place the Commission's sincere thanks and appreciation for his backing on the public record.

It is impossible to precisely measure the true value of the contribution that this highly trusted, capable public servant has made to the Queensland community in his long and distinguished police career. But what can be said with complete confidence is that he leaves the legacy of a better structured, managed, disciplined and directed police service behind him. And due largely to his strength of character and boundless commitment, civil rights in this State can now be enjoyed as Fitzgerald envisaged viz., 'in the freer atmosphere of a fairer, more honest and honourable society'.

Finally, the Commission welcomes Mr Atkinson to his appointment as the new Commissioner of Police and looks forward to the continuation under his leadership of the same strong, enduring and mutually beneficial relationship that QCC currently enjoys with the Police Service.



Tim Carmody SC
Crime Commissioner



Overview

1999 - 2000

Performance summary

References

- 5 new references were issued by the Management Committee in 1999–2000 — 4 major crime references and 1 organised crime reference.
- 9 references were carried over from 1998–99, 6 of which related to organised crime and 3 connected to major crime investigations. QCC has one standing criminal paedophilia reference.
- 5 references were completed during the year (3 organised crime and 2 major crime).
- A total of 14 references (excluding the standing criminal paedophilia reference) were active at some point during the year, compared to 9 the previous year.

Task forces

- The Management Committee approved the formation of 3 additional joint organised crime task forces (with QPS) under existing 'umbrella' organised crime references.

Joint operations

- During the year, QCC contributed resources to 31 operations (15 organised crime, 7 major crime, 9 criminal paedophilia), compared to 26 the previous year.
- 15 operations were completed during the year (8 organised crime, 2 major crime and 5 criminal paedophilia).
- 8 joint tactical operations required intricate financial investigation.

Use of powers

- The use of powers under the *Crime Commission Act* included:

	Section	1998–99	1999–2000
Notice to a unit of public administration	73	6	2
Search warrant	74	2	-
Surveillance warrant	82	-	-
Covert search warrant	88	3	3
Notice to produce	93	286	169
Notice to attend	95	65	114*

* 10 notices to attend were not served.

- 68 hearings were held according to the provisions of s.100 of the *Crime Commission Act* — compared to 45 in 1998–99.

- 27 hearings related to organised crime references, 36 hearings were major crime references, and 5 hearings were connected to criminal paedophilia matters.
- 99 individual witnesses attended QCC hearings (some of these witnesses were issued more than one notice to attend) compared to 63 witnesses in 1998–99.
- The use of powers under the *Police Powers and Responsibilities Act* included:

	Section	1998–99	1999–2000
Search warrant	28	6	-
Surveillance warrant	68	5**	9
Covert search warrant	74	1	1
Application to retain thing seized	108	1	-

** One device not installed.

Assets restrained

- \$2.28 million worth of assets were restrained during 1999–2000, compared with \$323,700 in 1998–99.
- QCC also assisted in the restraint of \$300,000 as part of QPS/QCC/NCA/AFP Operation NIKEL/GILE and assisted the Office of Fair Trading in the restraint of \$1 million from QPS/QCC Operation HIBISCUS.

Charges

- 963 charges were preferred during the year, compared to 344 charges in the 1998–99 year.
- Organised crime operations accounted for 392 of the total charges (41%), 27 charges were brought in major crime investigations (3%), and 544 charges were laid as a result of criminal paedophilia operations (56%).
- 89 offenders were charged – 65 under organised crime operations, 3 under major crime operations and 21 resulting from criminal paedophilia investigations.
- Significant charges include:
 - 3 persons charged with murder
 - 13 drug trafficking charges
 - 19 charges of producing a dangerous drug
 - 151 charges of supplying a dangerous drug
 - 32 extortion charges
 - 55 indecent dealing charges
 - 82 charges of indecent dealing with a boy under 16
 - 225 charges of indecent treatment of a boy under 14
 - 25 charges of unlawful sodomy

Intelligence – during 1999–2000, QCC:

- worked on a total of 25 strategic and tactical intelligence projects and investigations. 17 of these related to organised crime, 8 related to criminal paedophilia;
- provided intelligence support to 12 joint tactical investigations with other agencies (6 organised crime and 6 criminal paedophilia investigations);
- generated 4 tactical operations from strategic intelligence assessments — 3 organised crime and 1 criminal paedophilia operation;
- contributed 162 source documents to the Australian Criminal Intelligence Database (ACID), consisting of intelligence and information reports, offender profiles, criminal and post operational assessments;

- recorded 237 disseminations of QCC intelligence product, compared to 80 in 1998–99;
- initiated a law enforcement-in-confidence intelligence newsletter — the *Intelligence Digest* — which was created to inform other agencies of QCC intelligence findings. Three *Intelligence Digests* were produced during the year;
- published Project Axis Volume 1 *Child Sex Offending in Queensland: The Nature and Extent*; and
- upgraded the status of the risk posed by Queensland’s amphetamine trade following a strategic intelligence assessment of this market.

Other highlights

- A part time Assistant Crime Commissioner was appointed to enhance QCC’s investigative hearing and operational capacity.

Financial summary

Revenue

- The major source of QCC’s revenue each year is a grant received from the State Government. In 1999–2000, this grant was \$4.030 million, representing 99% of our revenue. The remaining 1% came from bank interest.

Expenses

- Most of QCC’s expenses for the year related to employee costs, supplies and services, and depreciation.
- Total expenses were \$3.872 million compared with \$3.100 million in 1998–1999. The increase in expenses was principally due to the full year salary impact of current employee numbers and accommodation costs.

Assets

- The QCC’s total non-current assets recorded a minimal decrease in 1999–2000 of \$0.061 million to \$0.690 million. This small decrease is predominantly due to adjustment of depreciation rates to more accurately reflect asset life.

Liabilities

- QCC’s total liabilities for the year were \$0.495 million. These comprised \$0.154 million in employee entitlements accrued but not taken, and \$0.341 million in accrued creditors.

Financial results

	1998–99	1999–2000	Change \$000s
For the year			
Queensland Government Grant	3,066	4,030	964
Operating revenue	40	48	8
Operating expenses	3,100	3,872	772
Operating surplus	6	206	200
At 30 June			
Total assets	925	1,379	454
Total liabilities	420	495	75
Net assets	505	884	379

Crime Commission *Profile*

The Crime Commission serves the people of Queensland by delivering value added investigative services to assist in the fight against organised and major crime and paedophilia. QCC has two outputs through which it manages its services in order to contribute to the State Government's priority of safer and more supportive communities.

Background

The QCC became an entity on 2 March 1998, with the appointment of the inaugural Crime Commissioner and Management Committee, and became an operational law enforcement agency on 15 May 1998, when the Criminal Justice Commission's organised crime fighting function was transferred to the Crime Commission. The QCC was given powers similar to those of a royal commission in order to create a specialised law enforcement agency effective at combating organised crime and criminal paedophilia. In addition, the use of the Commission's compulsive powers was extended to include their use in unsolved major crimes, such as murder. The Commission operates under the *Crime Commission Act 1997*.

Role

The core function of the Crime Commission is to investigate major and organised crime and criminal paedophilia.

QCC may only investigate those matters referred to it by its nine-member Management Committee, or which fall under the QCC's standing reference to investigate criminal paedophilia. The reference system ensures that QCC remains an agency focused on those matters that are its core function, and for which it has appropriate authority to investigate.

The QCC maintains an intelligence service about relevant criminal activity and major crime to support its investigative activities. To enhance the effectiveness of its criminal intelligence service, the Commission combines the use of strategic intelligence with targeted research and a risk assessment methodology to monitor and evaluate the criminal environment, forecast trends in criminal activity and determine investigative priorities. This intelligence-driven approach permits the QCC to be proactive rather than reactive in fulfilling its investigative responsibilities.

The Commission also directs its investigative and intelligence resources towards the restraint and confiscation of the proceeds of crime. The focus on capturing the proceeds of crime is to undermine the financial incentive behind unlawful activities, and to limit the reinvestment of criminal assets into other illicit enterprises.

The Commission provides specialist investigative services,

namely the use of its compulsive powers, to add value to the State's law enforcement capability beyond those powers that are ordinarily available to police.

Criminal activities QCC investigates

The types of activities that QCC may investigate are defined in the *Crime Commission Act*.

'**Organised crime**' is 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.

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

'**Criminal paedophilia**' involves 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.

'Relevant criminal activity' is 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.

Criminal paedophilia, major crime, organised crime or relevant criminal activity includes, in the context of a QCC investigation, suspected criminal activity.

Outputs

The QCC has two outputs: investigations and intelligence. These outputs provide the reporting structure for this annual report.

Investigations

Description

QCC's investigation output involves the conduct of proactive, multi-disciplinary investigations of relevant criminal activity utilising the QCC's compulsory powers and specialist expertise. Investigative activities focus on the gathering of evidence and the identification and confiscation of criminal proceeds, and include joint agency operations.

Strategies

- Conduct proactive, multi-disciplinary investigations of relevant criminal activity and major crime.
- Make astute and strategic use of hearings and compulsory powers.
- Identify and target the proceeds of crime for confiscation.
- Undertake focused joint operations with other agencies
- Obtain evidence for the prosecution of persons involved in criminal activity.

Measures

Quantity:

- Number of tactical operations undertaken
- Number of notices to attend
- Number of notices to produce

Quality/effectiveness of service:

- Number of offenders charged
- Number of charges laid

Intelligence

Description

QCC's intelligence output involves the production of quality strategic and tactical intelligence product to generate and support investigations into organised and major crime and criminal paedophilia, and to forecast trends in relevant criminal activity. Intelligence product is developed through the collection, collation and analysis of criminal information and data, and is consumed directly by QCC investigations and disseminated to client agencies.

Strategies

- Maintain an integrated, accurate and relevant criminal intelligence service.
- Provide timely, reliable information and analytical support to investigations.
- Provide risk management based target identification.
- Participate in the exchange of information and take part in joint operations with external agencies.
- Monitor and analyse intelligence holdings to forecast threats, trends and opportunities relating to organised and major crime and criminal paedophilia.

Measures

Quantity:

- Number of strategic intelligence projects undertaken
- Number of intelligence database source documents

Quality:

- Stakeholder satisfaction with intelligence reports
- Number of target development proposals generated by QCC
- Number of intelligence reports disseminated

Partners

The QCC works in partnership with other law enforcement agencies to make optimal use of available resources. The Commission does not have a large complement of police investigators, hence the majority of work undertaken by it is conducted through joint QCC-QPS task forces under the direction of the Commissioner of Police. The task force arrangement provides essential operational personnel and resources to support QCC investigations, while ensuring there is no duplication of effort.

Apart from its major partner – the Queensland Police Service, the Commission works cooperatively with the National Crime Authority, the Australian Federal Police, the Australian Customs Service, the Criminal Justice Commission and other agencies at both a State and Commonwealth level.

Does the QCC investigate all matters brought to its attention?

The QCC may only investigate those matters that are subject to a reference from the Management Committee and that cannot be appropriately or effectively investigated by the Queensland Police Service or other State-based agencies on their own. The Commission does not have exclusive jurisdiction to investigate all criminal activity within its statutory responsibility.

Organisational structure

The Commission consists of the Crime Commissioner and the Assistant Crime Commissioner, who administer the *Crime Commission Act* and who hold the powers that enable the QCC to function. The Crime Commissioner heads the QCC and is supported by an Executive Management Group (EMG) comprised of himself, the Assistant Crime Commissioner/General Counsel, the Director Operations and the Executive Officer.

The Assistant Crime Commissioner enhances the Commission's ability to efficiently utilise its hearings power, as the Assistant Crime Commissioner may preside at hearings. Until the ACC's appointment, all hearings were conducted by the Commissioner. As a member of the Commission's Executive Management Group, the Assistant Crime Commissioner contributes to the strategic direction of the Commission and to administrative and managerial decisions.

General Counsel has a wide variety of functions and responsibilities involving the giving of legal advice and opinions to the Crime Commissioner and operational staff, participating in administrative and managerial decision-making about policy directions, appearing as Counsel Assisting in investigative hearings, and liaising at senior executive level with external agencies. In addition, General Counsel settles hearings programs adopted in those investigations in which the use of the hearings power has been considered necessary and appropriate. General Counsel also conducts the examination of witnesses in many hearings.

QCC's divisions

The Crime Commission is comprised of two sections — Operations, which delivers the core investigative and intelligence outputs of the QCC; and Operational Support, which provides the essential administrative services that enable the QCC to fulfil its statutory obligations effectively.

Operations

The Commission's Operations section has four teams that provide the multi-disciplinary expertise to support QCC investigations. The teams are:

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

The Crime Commission's operational teams work alongside police task forces assigned to QCC or joint agency investigations, in order to make effective use of available resources and maximise investigative outcomes.

The Director Operations heads the **Operations Directorate** and coordinates QCC's four operations teams. The Director participates in the development of the Commission's investigative priorities and strategic direction, manages and monitors the performance of the operations teams and facilitates the Commission's multi-disciplinary investigative approach. In cooperation with QPS executive management, the Director Operations participates in the setting of operational directions and guidelines for joint task forces. The Director is also responsible for facilitating interaction with other law enforcement agencies at an executive level, 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 conducts meticulous financial investigations to complement standard investigative methods, and to help build a more detailed picture of a criminal target or enterprise. 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** produces both strategic and tactical intelligence products in support of the activities of the Commission. Strategic activities monitor the changing criminal environment in Queensland, assessing and monitoring criminal trends and methodologies. Matters identified are subjected to a risk evaluation process that assists the decision-making activities of the Commission. Strategic intelligence also identifies and develops targets suitable for proactive intelligence and investigative action. Tactical intelligence activities are directed towards the provision of intelligence support for current and developing operations. Tactical product also supports strategic activities by providing advice on trends and methodologies encountered in the course of operations. QCC's intelligence analysts work closely with their counterparts in other law enforcement agencies ensuring a relevant and ongoing exchange of intelligence and information.

The QCC **Legal Team** provides legal expertise 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, assists 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 **Investigative Support Team** includes experienced police officers who deliver vital operational services. The Team helps the Financial, Intelligence and Legal Teams to fulfil their duties by facilitating and performing field interviews or helping with the conduct of investigative hearings. One of the key functions of the team is to develop and maintain information sources as appropriate, and participate in the interviewing, assessment and registration of informants. The Investigative 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 Commissioner of Police unless the Management Committee determines otherwise.

Operational Support

Operational 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 operational support teams have a range of functions that ensure the agency operates with independence, integrity, accountability, professionalism and efficiency.

Operational 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, high level corporate support is provided by the Queensland Police Service on a remunerative basis.

QCC's Executive Officer heads the Office of the Commissioner and provides coordination, strategic level advice and executive support to the Commissioner to assist in the QCC's management. The Executive Officer coordinates support for the Management Committee, oversees the support services and liaises with all other functional areas of the Commission to assist in policy development and to enhance the effective and integrated management of the Commission's key functions. The Executive Officer also establishes and maintains appropriate liaison between the Commission and Executive Government, the QPS, other law enforcement agencies and other entities.

Library, research and project services are provided to the Commission's operational groups by the Office of the Commissioner. The library and research personnel undertake special project work across the span of QCC functions. The Office of the Commissioner also provides information management services essential to

the integrity and security of QCC's information systems.

The **Support Services** group provides professional administrative support essential to the efficient and independent operation of the Commission. The group is comprised of three units — 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. The Registry section also maintains registers relating to surveillance and covert search warrants, as required under the *Crime Commission Act*. The section also maintains a register of exhibits that lists 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 assisting in the formulation of the QCC budget, and contributing to the implementation of policies, procedures and management systems to support the Commission's operations.

Administration and Purchasing provides administrative support to the Commission, ensuring all purchases, contracts and tenders comply with State Purchasing Policy guidelines, as well as providing asset management services.

Key officers

The Executive

The Executive Management Group (EMG) consists of the Crime Commissioner, the Assistant Crime Commissioner/General Counsel, the Director Operations and the Executive Officer, and provides strategic level management, policy setting and operational guidance to the Commission. The group also monitors key events, reviews the performance of QCC, and scrutinizes risk management strategies. The EMG meets fortnightly and provides the strategic policy direction across a broad range of matters, including the QCC budget, personnel and operational policies, priorities and resourcing. The Principal Legal Officer, Principal Financial Investigator, Principal Intelligence Analyst and Manager Operational Support provide advice as necessary during Executive Management Group meetings.



(Left to right): Assistant Crime Commissioner and General Counsel, John Callanan; Director Operations, Det. Chief Superintendent Jan Lidicky; Executive Officer Brian Hodge; Crime Commissioner Tim Carmody.

Tim Carmody SC was appointed as Queensland's first Crime Commissioner in March 1998. A former policeman, university lecturer and published legal writer, the Commissioner holds both graduate and postgraduate degrees in law. Mr Carmody maintained a specialised criminal trial and appeal practice at the Queensland Bar for 15 years before taking up his current post. He has appeared in some of the State's most notable criminal cases and public inquiries, including as Counsel Assisting the Fitzgerald Commission of Inquiry into Police Corruption (1987–89) and the Special Prosecutor (1990–91), and the 'Connolly-Ryan Inquiry' into the Criminal Justice Commission (1996–97). He was the first graduate from the Queensland University of Technology's Law School to be promoted to Senior Counsel, and was named the Faculty's Outstanding Alumni Award winner for professional achievement and community service in 1999.

(Right): Principal Legal Officer, Michael Scott; Assistant Crime Commissioner and General Counsel, John Callanan.



(Above): Manager Operational Support, Ian Thomas and Executive Officer, Brian Hodge



(Right): Principal Intelligence Analyst, Elizabeth Foulger; Acting Principal Financial Investigator, Paula Sharp; Operations Coordinator, Det. Inspector Ian Parsons.



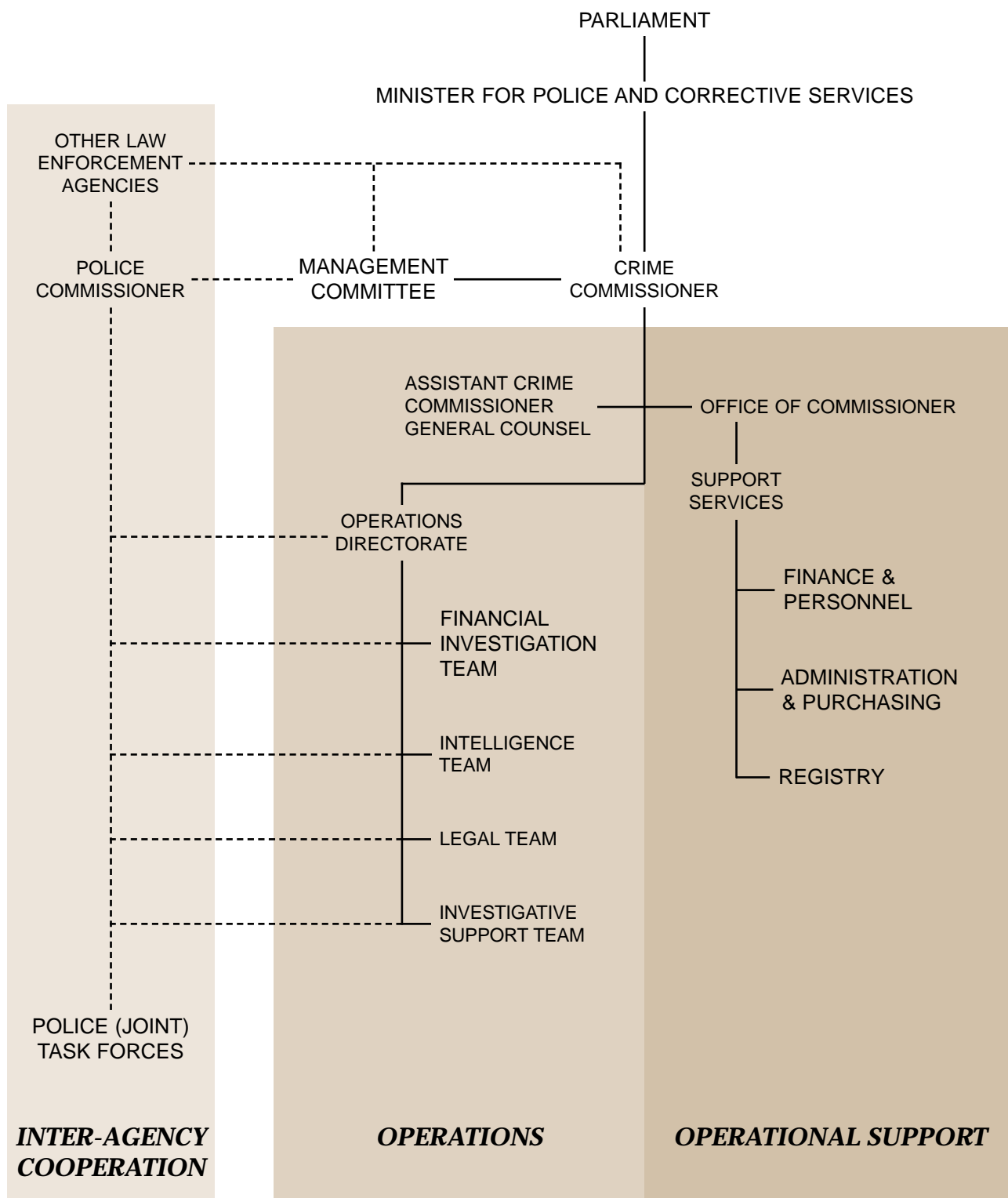
QCC's General Counsel **John Callanan** was appointed Assistant Crime Commissioner in June 2000. He was admitted to the Queensland Bar in 1976 and for ten years was a Crown Prosecutor. He served as Counsel Assisting with the Fitzgerald Commission of Inquiry and subsequently headed the Prosecutions Task Force within the Office of the Director of Public Prosecutions and was Counsel with the Office of the Special Prosecutor. Before his appointment as QCC General Counsel in 1998, he spent five and a half years in private practice at the Bar.

been a serving police officer since 1972. He was a member of the police team at the Fitzgerald Commission of Inquiry (1987–1989) and was then seconded to the Criminal Justice Commission for two years. As a Detective Superintendent, he lead the QPS Bureau of Criminal Intelligence between 1994 and 1998 before being seconded to the QCC.

Detective Chief Superintendent **Jan Lidicky APM** is the Commission's Director Operations and has

Executive Officer **Brian Hodge** was tasked with the establishment of QCC in 1998 following six years service at the QPS, where he held positions including Officer in Charge of Legislation and Senior Policy Officer with the Office of the Commissioner. He had a military career spanning 26 years, retiring from the Australian Defence Force in 1992.

Organisational Structure



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 generally, and is bound by any directions or guidelines issued by the Committee regarding the performance of its functions or its management.

The QCC's investigative functions are activated strictly on a referral basis from the Management Committee. This mechanism provides an important safeguard against the inappropriate exercise of the QCC's compulsive powers. References from the Committee are granted only in specific circumstances. The Committee may refer relevant criminal activity or major crime to QCC for investigation only if it is satisfied that:

- an investigation by another agency into the activity has not been effective; and
- is unlikely to be effective using the powers ordinarily available to the police service; and
- it is in the public interest to refer the matter to the QCC; and
- is a justifiable use of resources.

The Management Committee may refer 'relevant criminal activity' to the QCC for investigation on its own initiative, or at the request of either the Commissioner of Police or the Crime Commissioner. Relevant criminal activity involves criminal paedophilia or organised crime, or something that is preparatory to, or undertaken to avoid detection of, or prosecution for such offences. Major crime may be referred to the QCC at the request of the Commissioner of Police, and involves indictable offences punishable on conviction by a term of imprisonment of at least 14 years.

The Crime Commission has a standing reference to investigate criminal paedophilia that does not rely on the Management Committee referral process.

The Management Committee has the authority and power to end an investigation where the Committee considers it is more appropriate or more effective for another entity to investigate, or an investigation is not a justifiable use of resources. In addition, the Committee may place limits on a QCC investigation, including determining the powers that may be exercised.

The Committee is also responsible for making arrangements to establish police task forces to assist with QCC investigations, approving liaison, information sharing and other 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. The Committee is statutorily obliged to refer matters of suspected official misconduct to the Criminal Justice Commission, which has appropriate jurisdiction in this area.

Membership

Membership of the QCC Management Committee is determined by the *Crime Commission Act*, and comprises:

- Crime Commissioner (Chairperson)
- Commissioner of Police
- Chairperson of the Criminal Justice Commission
- Chairperson of the National Crime Authority
- Chairperson of the Parliamentary Criminal Justice Committee
- 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 a demonstrated 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 of three years.

Committee Members in 1999–2000

The composition of the Management Committee changed only once during the 1999–2000 year, when John Broome completed his tenure with the National Crime Authority. The QCC acknowledges the considerable assistance and support given by Mr Broome in fulfilling his role on the Management Committee, particularly as one of the inaugural Management Committee members.

Gary Croke QC joined the Committee on 6 December 1999 following his appointment as the new Chairman of the National Crime Authority. It is anticipated that the existing strong relationship between the Crime Commission and the Authority will be further strengthened by Mr Croke's involvement with the Management Committee.

In addition, the Committee notes that the announcement on 28 June 2000 of the retirement of Jim O'Sullivan from the post of Commissioner of the Queensland Police Service will signal his departure from the Committee in the 2000–01 financial year. The Committee notes the intended departure of Mr O'Sullivan with regret, and further acknowledges the input of his significant law enforcement expertise, and the support and contribution he has made, both personally and as the Commissioner of the Police Service, to the QCC in its formative stages.

The contribution of the seven continuing members of the Management Committee also merits acknowledgement. As Crime Commissioner, Tim Carmody SC continued as the Management Committee chairperson, assisting the Management Committee with his knowledge of QCC's activities. CJC Chairperson Brendan Butler and Children's Commissioner Robin Sullivan provided considerable assistance and counsel to the Committee, and brought substantial knowledge and specialised expertise to the Management Committee. They were also instrumental in maintaining the strong link between the QCC and their respective agencies. Community representative Sherrie Meyer and civil liberties representative Susan Johnson also offered the benefit of their substantial community and civil liberties experience in fulfilling their roles on the QCC Management Committee. Their input contributed greatly to many of the issues determined by the Management Committee. The Parliament and the community were also ably represented on the Management Committee by Paul Lucas MLA and Vince Lester MLA, with their involvement in the Parliamentary Criminal Justice Committee adding a broader perspective to Management Committee proceedings.

Management Committee members, who have acted as deputies for statutory Management Committee members unable to attend every Committee meeting, have also made a substantial contribution during the year. In this regard, Marshall Irwin, the Brisbane-based Member of the National Crime Authority, Ray Rinaudo, part time Commissioner of the Criminal Justice Commission, and Assistant Commissioner Graham Williams have assisted with the tasks of the Management Committee.

Members' Profiles

• Commissioner of Police



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 Director of Operations in charge of investigations, and in 1989 was promoted to Detective Superintendent attached to

the Inquiry, and subsequently the Criminal Justice Commission. In 1990 Mr O'Sullivan achieved the rank of Commander (Assistant Commissioner), North Coast Region and in 1991 was promoted to Deputy Commissioner, Operations. Mr O'Sullivan commenced his policing career in 1959 and has served at every rank in the service. He is a graduate of the National Executive Institute of America and has been awarded the National Medal of Australia, the Australian Police Medal, and the Queensland Police Service Medal for Distinguished Service.

• Chairperson of the Criminal Justice Commission



Brendan Butler SC was appointed Chairperson of the Criminal Justice Commission in November 1998. At the time of his appointment he was in practice as a criminal barrister in Brisbane. Mr Butler's 22 year legal career included service as a Crown Prosecutor,

defence counsel, investigator and manager. He appeared in the High Court, court of Appeal, Supreme Court and District Court. From 1987 to 1989 he was Counsel Assisting the Fitzgerald Commission of Inquiry. During 1990 Mr Butler was principal counsel assisting the Ward 10B Commission of Inquiry in Townsville. As Deputy

Director of Public Prosecutions from 1989 to 1996 Mr Butler performed a senior managerial role while continuing to appear in trial and appeal cases. He received a Master of Laws degree in 1986 and co-authored two editions of Carter's Criminal Law in Queensland. Mr Butler was awarded the status of Senior Counsel in 1994.

- **Chairperson of the National Crime Authority**



Gary Crooke QC was appointed Chairperson of the National Crime Authority in September 1999. Mr Crooke has had a distinguished legal career spanning 33 years. He was appointed a Queens Counsel in 1982 and acted as Senior Counsel assisting both the Fitzgerald Inquiry

and Wood Royal Commission into the NSW Police Service. Mr Crooke is a former President of the Australian Bar Association and the Bar Association of Queensland (of which he was made a life member in 1993). He has also served as a member of the Executive and Vice President of the Law Council of Australia, and as Chairman of the Management Committee of the Queensland Bar Practice Centre.

- **Chairperson of the Parliamentary Criminal Justice Committee**



Paul Lucas, MLA commenced his Parliamentary career in October 1996 with his election to the Brisbane bayside seat of Lytton. He was appointed Chairman of the Parliamentary Criminal Justice Committee (PCJC) in July 1998. Mr Lucas serves on

several Ministerial Legislative Committees, including the Police and Corrective Services Ministerial Committee, and was a solicitor prior to his election to Parliament. He holds the degrees of B.Econ., LL.B., MBA.

- **Deputy Chairperson of the Parliamentary Criminal Justice Committee**



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 Deputy Chairman of the PCJC in July 1998, he served as Chairman of the PCJC between April 1996 and

July 1998 and as a PCJC member between 1992 and 1995. He is currently the Shadow Minister for Environment and Heritage and Natural Resources, and has held a number of ministerial posts during his Parliamentary career, including a period as Minister for Police, and various employment, industrial affairs and training ministerial portfolios.

- **Children's Commissioner**



Robin Sullivan was appointed Children's Commissioner in April 1999 after a distinguished career in Education Queensland. As Children's Commissioner, she is responsible for monitoring and reviewing the delivery of children's services and receiving, assessing and

investigating complaints about the delivery of children's services and alleged offences involving children. Robin is a member of various groups including the Child Protection Council, and contributes to a range of children's issues and policy setting at the state and national levels.

- **Community representative**



Sherrie Meyer has extensive experience as a community representative and victim 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 currently the

group's North Queensland coordinator. She is the national representative of the United States based organisation, Parents of Murdered Children, and acts as a liaison officer for the Cairns Region of the

Compassionate Friends. As a Registered Nurse since 1978, Mrs Meyer has worked with and represented abused children through abuse detection and prevention pilot programs, and as a court advocate for children involved in legal proceedings.

- **Community representative and civil liberties advocate**



Susan Johnson is a barrister and consultant on legal and research matters in the criminal justice and policing spheres. Ms Johnson was admitted to the Bar in 1984 and worked at the Office of the Director of Public Prosecutions and Legal Aid before serving seven years at the Research and Co-

ordination Division of the Criminal Justice Commission, where she rose to the position of Assistant Director. She participated in the review of police powers and prostitution laws in 1998–99, and as a Crown Prosecutor specialised in child abuse matters. Ms Johnson represents a broad range of community interests and views through her involvement in public consultations on major criminal justice policy issues.

Report of the Management Committee

The Management Committee met five times during the year and passed two resolutions without meeting, under the provision of s. 58 of the *Crime Commission Act*. Matters deliberated by the Committee included the consideration and approval of new reference requests, arrangements for the establishment of police task forces to assist the QCC, updates of current operations and projects, approval of QCC policy in relation to investigative matters, and the review of the QCC's budget position.

References

One of the most important Management Committee functions is the consideration of reference requests, and the criteria to be assessed prior to the approval of the referral. During 1999–2000, five new references were approved by the Committee. One of these new references involved organised crime and four related to the investigation of major crime. The Committee also approved an amendment to an existing organised crime reference.

Nine references were carried over from the 1998–99 financial year — six of these related to organised crime, and three related to major crime. Five references were also finalised during the period under review — three related to organised crime and two were major crime matters. The finalised references included one reference that was both initiated and finalised during the 1999–2000 year. The QCC had a total of 14 references from the Management Committee active at some point during the year, with nine references remaining current at 30 June 2000 (see **Table on page 19**).

The majority of new references for the 1999–2000 year fall in the major crime category, which are by their nature very specific. Conversely, the majority of references carried over from previous years fall in the organised crime category. This reflects the 'umbrella' nature of these references generally, which are designed to allow for flexibility in QCC's response to matters as they arise, and QCC's ongoing participation in national task forces under national organised crime references. The Table on page 21 contains a description of Management Committee references issued to date.

Criminal paedophilia

Under the Act, the Crime Commission has a standing reference to investigate criminal paedophilia, and hence does not specifically require Management Committee approval to instigate investigations under this function. However, the Management Committee does oversee the conduct of investigations undertaken by QCC under this standing reference, and has endorsed a policy in relation to the discharge of the QCC's responsibilities in this area.

QCC policy in relation to discharging its responsibilities under the standing reference on criminal paedophilia:

QCC investigates only those criminal paedophilia matters which other agencies, such as the Police Service and other State entities, can not efficiently or effectively investigate, or where there is significant public interest in the matter to be examined.

Table: Reference status, 1998–99 and 1999–2000

	1998–99	1999–2000
<i>New references</i>		
Organised crime	3	1
Major crime	3	4
Total new references	6	5
<i>Carried over from previous year</i>		
Organised crime	3	6
Major crime	-	3
Total carried over from previous year	3	9
Total active references during year	9	14
<i>Disposed of during year</i>		
Organised crime	-	3
Major crime	-	2
Total disposed of during year	-	5
<i>Current at 30 June</i>		
Organised crime	6	4
Major crime	3	5
Total current at 30 June	9	9

Major crime

All major crime references during the year were generated by the Commissioner of Police. These involved issues where police investigations have not been effective, further investigation was unlikely to be effective using powers available to police, and it was in the public interest to refer a matter to the QCC. All major crime references issued by the Management Committee to date relate to unsolved unlawful killing. This is a consideration the Management Committee has regarded as being in the public interest to pursue using QCC's powers.

The Management Committee approved QCC reference number 3/99 in August 1999, relating to the unlawful killing in north Queensland of a person believed to have been involved in organised criminal activity. The Committee agreed the use of QCC assistance was warranted in cases where the use of investigative hearings could elicit further evidence and could assist in the resolution of the matter. The Committee also directed the establishment of a joint task force to pursue the matter under arrangements agreed between QPS and QCC. The reference was finalised in April 2000, with the operation resulting in the arrest of two persons for murder and 24 associated charges. QCC references number 1/00, 3/00, 4/00 also related to cases of unsolved unlawful killing, and were granted by the Management Committee after having duly considered the circumstances of each case.

Organised crime

Organised crime reference 2/00 was issued in April 2000 after a reference request to the Management Committee by the Crime Commissioner in accordance with s. 29(1)(a) of the Act.

The Commission sought a money laundering reference distinct from the existing QCC 9/98 reference, which is aligned to the national task force money laundering reference. While the national reference is based on Australian Transaction Reports and Analysis Centre (AUSTRAC) generated information on suspect monetary transactions, the QCC reference relates to intelligence gathered by QCC on money launderers, criminal proceeds concealment and associated organised criminal activity.

Revision of the national task force references necessitated a review of two of QCC's key organised crime references, which enable QCC participation in national task forces. The timeframe of the national Blade reference was expanded to deal with heroin trafficking and associated money laundering since 1 January 1990. A corresponding amendment to QCC's reference 7/98 was approved by the Management Committee in December 1999. It was found that modifications to the national Freshnet reference did not necessitate amendments to QCC reference 8/98, as the terms of the existing QCC reference already encompassed the matters covered in the extended national reference.

Task forces

During the year, the Management Committee approved the formation of three task forces under existing 'umbrella' organised crime references. In most instances, arrangements to establish police task forces under ss. 30 and 45(1)(b) are approved when a reference is granted by the Management Committee. However, in instances where investigations are being undertaken under an umbrella reference, it is necessary for the Management Committee to formally establish a task force to afford it the appropriate authority and enable access to QCC's powers.

Monitoring QCC activities

During the year, the Committee monitored the progress of 10 projects and 31 operations conducted by the QCC under its criminal paedophilia, intelligence, organised crime and major crime functions. This included receiving oral and written briefings of QCC operational activities at each Management Committee meeting. The Committee also made particular requests of the QCC where it considered such requests to be appropriate (for example with regards the treatment and protection of witnesses).

In addition, the Management Committee reviewed the QCC's budgetary position and its impact on the Commission's operational capacity and commitment.

The Committee also examined the results of the Parliamentary Criminal Justice Commissioner's review of the QCC's intelligence function and authorised the dissemination of the report to the Queensland Police Service and Criminal Justice Commission.

Complaints

No complaints against the QCC, its members or staff were received by the Management Committee during the period under review.

Table: Reference description*

Reference no.	Date issued	Date finalised	Reference type	Description
1/98	March 1998	December 1998	Organised crime	Drug trafficking and property offences
2/98	March 1998	July 1999	Organised crime	Drug production and distribution in south east Queensland
3/98	March 1998	December 1998	Organised crime	Drug production and wholesale distribution
4/98	March 1998	December 1999	Organised crime	Major distribution network involving dangerous drugs
5/98	March 1998	December 1998	Organised crime	Organised vehicle theft
6/98	March 1998	April 1998	Criminal paedophilia	Suspected child sex offender activity
7/98	June 1998	Active	Organised crime	An umbrella organised crime reference that mirrors the NCA Blade, Panzer and old Freshnet references
8/98	August 1998	Active	Organised crime	Umbrella organised crime reference based on the NCA new Freshnet reference
9/98	August 1998	Active	Organised crime	A money laundering umbrella reference corresponding to the NCA Limbeck/Swordfish reference.
10/98	November 1998	November 1999	Major crime	A disappearance and suspected murder
11/98	November 1998	Active	Major crime	Murder
1/99	March 1999	December 1999	Organised crime	Alleged organised payments of secret commissions to an official of a community organisation
2/99	June 1999	Active	Major crime	Murder
3/99	August 1999	March 2000	Major crime	Murder
1/00	April 2000	Active	Major crime	A disappearance and suspected murder
2/00	April 2000	Active	Organised crime	An umbrella organised crime reference relating to money laundering
3/00	April 2000	Active	Major crime	Unlawful killing
4/00	May 2000	Active	Major crime	A disappearance and suspected murder

* As at 30 June 2000.

Output 1:

Investigations

1999–2000 Performance

Projected Performance

Appoint a part-time Assistant Crime Commissioner to assist in enhancing the operational capabilities of the Commission.

Establish an Enterprise Crime Team aimed at reducing the profitability of criminal enterprises, and detecting and prosecuting money laundering offences.

Develop and effectively utilise modern methodologies and innovative strategies to proactively identify and prosecute child sex offenders.

Foster and promote to partner agencies a strengthening of the multi-agency approach to organised crime investigations, particularly for matters identified as high priorities by the risk assessment approach adopted in Project Krystal*.

Actual Performance

A part-time Assistant Crime Commissioner (ACC) was appointed in June 2000. This appointment significantly enhances the Commission's facility to efficiently utilise its hearings power as the ACC may preside at hearings.

The position of Manager Financial Crime Investigations was established, to provide leadership for financial crime investigations and money laundering. QCC's financial investigative capabilities were enhanced by directing additional human resources (financial investigators, police, research staff, intelligence analysts) to this area.

QCC commenced Project Coffee, a proactive investigative initiative to identify and target suspected child sex offenders who use the Internet to network with other offenders, groom potential victims or distribute child pornography.

A number of single agency operations developed into multi-agency investigations, utilising the best mix of expertise and resources from each contributing agency and enhancing investigative outcomes.

* Project Krystal was a joint QCC-QPS strategic intelligence assessment of organised crime in Queensland.

Proactive, multi-disciplinary investigations

The QCC has, in the 1999–2000 year, continued to draw on the skills and knowledge of a variety of professional disciplines to proactively identify criminal activity and conduct complex multi-disciplinary investigations of organised and major crime and criminal paedophilia. A key aspect of the QCC's proactivity is the generation of strategic intelligence, which involves monitoring the criminal environment and identifying problem areas for further intelligence or tactical investigative action. In this respect, the QCC is intelligence-driven. This process combines the skills and knowledge of legal officers, financial investigators, intelligence analysts and police to investigate all aspects of criminal enterprises.

During the reporting period the QCC commenced or continued a number of strategic intelligence projects aimed at monitoring and assessing aspects of organised

crime and criminal paedophilia in Queensland. A common aim of these projects is to proactively recommend potential targets for tactical investigations. All projects undertaken during 1999–2000 derive from, and give effect to, recommendations from QCC–QPS Projects Axis and Krystal.

Project Cassius, which commenced in December 1999, is a strategic assessment of the nature and extent of networked or organised child sex offending in Queensland. A confidential law enforcement report on Project Cassius will be completed in the latter half of 2000 and will guide future QCC tactical investigations in this area.

The current organised crime flagship is Project Ramson, which commenced on the completion of Project Krystal and is designed to continually monitor the organised crime environment in Queensland. Ramson identifies trends and methodologies in the respective organised crime markets and evaluates those markets in terms of the QCC's risk assessment methodology.

Incorporated in the multi-disciplinary team approach is the establishment of joint QCC–QPS task forces that investigate criminal paedophilia and organised crime activity. Although police task forces remain under the direction and control of the Commissioner of Police (unless the Management Committee directs otherwise), the performance of the task forces are monitored by the QCC–QPS Joint Executive Group that meets on a fortnightly basis.

During the 1999–2000 year, the QCC committed multi-disciplinary resources to 31 separate operations. Of these, it completed a total of fifteen tactical operations that consisted of five criminal paedophilia operations, eight organised crime operations and two major crime operations. In addition, the QCC and partner agencies are continuing to progress a further 16 tactical operations — including four criminal paedophilia investigations, seven organised crime operations and five major crime operations.

Operations by reference type - total worked on during year

	1998–99	1999–2000
Organised crime*	12	15
Major crime*	3	7
Criminal paedophilia*	11	9
Total number of referenced operations	26	31

* Operations may continue from one financial year to the next, therefore there may be some overlap between the two financial years listed.

Operations completed during 1999–2000, and current at 30 June 2000, by reference type

	Completed in 1999–2000	Current at 30 June 2000
Organised crime	8	7
Major crime	2	5
Criminal paedophilia	5	4
Total operations	15	16

General Counsel

In the 1999 – 2000 year General Counsel provided in excess of twenty written opinions on legal issues as diverse as the sufficiency of evidence to proceed with perjury charges, the terms and significance of the Commission's 'umbrella' references, jurisdictional and other issues raised by applications for major crime references, and a range of law reform initiatives including witness protection and anonymity, prostitution, controlled operations, telephone interception and civil confiscation. An even wider range of issues were addressed by General Counsel in verbal advices and informal consultations including, for example, reviewing the legal implications of the general publication of the first report on Project Axis.

As the Commission's senior employed lawyer, General Counsel has settled the hearings programs adopted in those investigations in which the use of the hearings power has been considered necessary and appropriate. General Counsel has also conducted the examination of witnesses in many of such hearings.

General Counsel is involved in liaison with other agencies at all levels from consultation with police investigators for the purpose of investigative hearings to membership of the Joint QCC – QPS Executive Group which oversees joint operations. General Counsel also deals extensively with such other agencies as the NCA, the CJC, the NSW Crime Commission and the Australian Federal Police, and is involved in the negotiation and settlement of joint operational agreements with those agencies as well as the development of inter-agency co-operation generally.

Legal Team

The Legal Team provided Counsel Assisting to investigative hearings held by QCC; legal advice to investigators and members of joint task forces in which QCC was a partner agency; and made numerous court applications in cases where the use of coercive powers under the *Crime Commission Act* or the *Police Powers and Responsibilities Act* require the approval of a judge or magistrate. QCC lawyers also spent considerable time during the year engaged in the research of law reform issues.

The management and conduct of QCC's hearings program continued to dominate the work of the Legal Team during the year. In 1999–2000, 99 witnesses were called to hearings in respect of 11 separate major crime, organised crime and criminal paedophilia investigations. For the first time since Commission's inception, hearings were conducted in centres other than Brisbane for two major crime investigations.

The Legal Team made a range of court applications including applications for covert and overt search warrants; applications for surveillance warrants; applications for the issue by Supreme Court judges of notices requiring witnesses to attend immediately at hearings; and applications for the leave of the Supreme Court to serve QCC attendance notices interstate. One application was also made to the Supreme Court during the year seeking the issue of a warrant for the arrest of a witness in a murder investigation who failed to appear at a QCC hearing after having been served with an attendance notice.

During the year, QCC lawyers also delivered presentations to a range of client groups, but primarily within the Queensland Police Service, throughout the State. These were aimed at enhancing law enforcement officers' understanding of QCC's charter and the ways in which it could add value to police investigations.

Intelligence Team

The Intelligence Team is a key element of the QCC's proactive approach. One measure of an effectively functioning intelligence team is the extent to which it can generate tactical investigations from strategic intelligence assessments. During the QCC Intelligence Team's second full year of operation, its output evolved to the extent that, QCC investigations can now be generated internally, apart from operations referred by partner agencies. The practical effect of this achievement is that, as envisaged by the *Crime Commission Act*, the QCC is complementing law enforcement efforts in Queensland, rather than competing for work.

During 1999–2000, the QCC developed four tactical investigations from strategic assessments. The first operation was derived from the QCC's strategic Project Faber and is an organised crime and money laundering investigation. The second is a drug related investigation that evolved as an offshoot of a QCC tactical investigation, which itself flowed from a strategic intelligence project. A further drug related tactical investigation was derived from the strategic project Ramson and gives effect to a recommendation of Project Krystal. Lastly, a tactical investigation relating to the use of the Internet and child sex offences was derived from Project Axis.

Financial Investigations Team

Members of the Financial Investigations Team continue to provide a valuable contribution to the multi-disciplinary team approach and are involved in both organised crime and major crime investigations undertaken by the QCC. In some cases the QCC's principal contribution to joint task forces has been the provision of specialist financial investigators. Financial investigators worked closely with police and intelligence operatives in the day to day running of operations. In addition, financial investigators have also assisted police at the closure of operations by the location of documentary evidence during the execution of search warrants.

The Team was instrumental in identifying and restraining the assets of criminals under investigation, including cash, real estate, business interests, cars, boats, furniture and jewellery (see Proceeds of Crime, p. 29).

During the year, the team was involved in eight joint tactical operations requiring financial investigations. These proactive investigations predominantly involved suspected drug trafficking, and the financial information collected was used to determine the period of time the alleged trafficking was carried out, the extent of the trafficking and the economic benefit derived by the alleged trafficker. The team prepared financial profiles of targets, their money flows and asset accumulation and that of their associates. Once again, financial investigations concentrated on identifying persons or entities helping suspects to launder money derived from criminal activities.

Investigative Support Team

During the 1999–2000 year, the QCC's Investigative Support

Team consisted of two detectives from the Queensland Police Service who provided strategic and tactical support to the intelligence, financial and legal sections of the QCC. This support involved the preliminary assessment and investigation of criminal activity in QCC projects and operations. These included QCC projects involving money laundering, organised crime, Internet child sex offences and illicit drugs.

The team also participated in the closure of three major tactical operations, phase one of an (ongoing) illicit drug operation, Operation Jovian, and Operation Jovian/Balsam, where the primary targets were charged with money laundering, and the trafficking, supply and possession of heroin.

QCC investigators gave evidence in the Magistrates Court for the committal proceedings of three persons charged with money laundering and trafficking in heroin. They also gave evidence at the District Court in Lismore NSW relating to the arrest of a child sex offender in the previous year. The offender received a lengthy term of imprisonment in NSW.

The QCC has developed strategies to combat paedophilia activity over the Internet through Project Coffee, and the Investigative Support Team has had some success in identifying offenders who provide and exchange child pornography through electronic means. The activities of such persons have international investigative implications as well as generating domestic investigations. This project is a proactive investigative initiative utilising the Internet to identify and target suspected child sex offenders who use the Internet to groom potential victims or distribute child pornography.

To date, Project Coffee has successfully identified four people in relation to child pornography images. Eighteen reports of potential offenders have been disseminated throughout Australia and overseas.

In addition, the Investigative Support Team interviewed, cultivated and managed confidential sources to enhance the QCC's intelligence holdings. The team undertook static surveillance and area appraisal of specific locations for future surveillance activities to be conducted on relevant targets.

The networks developed by the Investigative Support Team officers continues to facilitate a healthy relationship between the QCC and specialist squads within the QPS Crime Operations Branch, regional police and other law enforcement agencies in Queensland and throughout Australia.

Operational Highlights

Organised crime

Operation JOLT/HIP was a joint agency investigation with the QPS and the NCA targeting a heroin and amphetamine distributor in south east Queensland. The investigation entailed the purchase of dangerous drugs including heroin, amphetamine, LSD and cannabis, and the purchase of a concealable firearm by covert police operatives.

As a result of the operation, 14 persons were arrested and charged with a total of 89 offences, including: 7 charges of trafficking, 3 charges of producing, 49 counts of supplying a dangerous drug, and 19 charges of possession of a dangerous drug.

In addition, QCC and QPS financial analysts restrained property to the value of approximately \$500,000. Ongoing financial investigation is expected to reveal further assets for restraint.

Major crime

Operation HALT was an investigation into the murder of a man in north Queensland and associated organised criminal activity. The dead man had been growing a cannabis crop, and his death was the result of other criminals seeking to steal the crop.

The operation commenced as a result of a major crime referral from the QPS. QCC hearings into the matter elicited evidence which, in conjunction with evidence gathered by QPS officers, resulted in the bringing of 26 charges. These included a charge of murder against two persons, and charges of armed robbery, robbery with violence, possessing and supplying a dangerous drug, assault, deprivation of liberty and kidnapping for ransom. In addition, hearings produced important intelligence about drug and organised crime activities in north Queensland.

Criminal paedophilia

Operation GECKO is an investigation into a suspected child sex offender network that includes convicted child sex offenders and suspected offenders. This investigation being conducted by the joint tactical Task Force Axis is an extension of earlier inquiries conducted by the QPS in the early 1990s. The current investigation has obtained intelligence and evidence in relation to the known and suspected offenders, particularly those who escaped

justice in the earlier QPS investigation.

QCC investigative hearings revealed information about a number of suspected offenders and have identified a large number of potential victims. One alleged offender has been charged with 229 offences, including indecent treatment of a boy under 13 and assault occasioning bodily harm, and other suspects are under ongoing investigation.

Hearings and use of powers

QCC has a range of special powers to enable it to perform its statutory investigative function effectively and efficiently to enhance law enforcement outcomes in Queensland. The use of such special powers is integral to QCC's ability to penetrate intractable organised crime groups and paedophile networks and are vital to enabling QCC to progress investigations into serious major crimes such as murders. The power to conduct hearings, for example, enables the QCC to gather convincing evidence against individuals which may not otherwise occur using conventional police powers.

QCC's special powers include the following:

- A Crime Commission member may require a person holding an appointment in a unit of public administration such as a State Government department to provide information or to produce a document or thing held by the unit that is relevant to a QCC investigation.
- The Crime Commissioner may require any person or company to produce a document or thing that is relevant to a QCC investigation. The Crime

Commissioner may require the immediate production of the document or thing if delay in its production may prejudice QCC's investigation.

- With the Crime Commissioner's consent, a QCC officer may in appropriate circumstances apply to a Supreme Court judge for a covert search warrant. This enables members of QCC task forces to covertly enter premises to search for and seize, or take samples of evidence relevant to a QCC investigation.
- With the Crime Commissioner's consent, a QCC officer may in appropriate circumstances apply to a Supreme Court judge for a surveillance warrant enabling members of QCC task forces to install surveillance devices in specified premises and intercept conversations or monitor visual images for the period specified in the warrant.
- The Crime Commissioner may issue an attendance notice requiring a person to attend and give evidence at a QCC investigative hearing. Upon the application of the Crime Commissioner, a Supreme Court judge may issue an immediate attendance notice if satisfied that any delay in the attendance of the proposed witness may prejudice a QCC investigation.

The last-mentioned power is perhaps the most significant of QCC's special powers and sets it apart from law enforcement agencies with traditional investigative powers such as the Queensland Police Service. While there is no common law obligation upon citizens to help investigating police when they have knowledge or information that would assist in solving a crime, QCC's hearings power means that QCC can compel such persons to attend a QCC hearing and give

sworn evidence of such matters. Moreover, the *Crime Commission Act* contains legal mechanisms that prevent witnesses who have committed a criminal offence from refusing to answer questions on the ground that the answers may incriminate them. In such circumstances, witnesses may be directed to answer the relevant questions in order to gather evidence of criminal conduct by other persons. Such persons have the compensating protection that their answers may not be used in evidence against them in any later criminal, civil or disciplinary proceeding. The hearings power is a potent investigative tool that significantly enhances QCC's ability to break through the 'walls of silence' that frequently characterise organised crime and paedophile rings and, often, the perpetrators of major crimes.

However QCC is acutely conscious of the need to use such

special powers cautiously with appropriate regard to the public interest in solving crime and calling wrongdoers to account on the one hand, and to the civil liberties of the individual citizen on the other. The *Crime Commission Act* contains several safeguards against the oppressive or over-zealous use of QCC's special powers, which in all cases require the personal approval of the Crime Commissioner or, in relation to a unit of public administration, a Commission member.

For example, the Management Committee may give QCC directions imposing limitations on the exercise of QCC's powers for a particular investigation. Furthermore, in the case of all applications by QCC to a Supreme Court judge or a magistrate for an overt or covert search warrant or a surveillance warrant, the Public Interest Monitor must be given notice of

the application and will appear at the hearing as an advocate for the public interest.

Hearings

QCC issued 114 attendance notices during the reporting period requiring witnesses to attend at QCC hearings, of which 104 notices to attend were served on the persons named in the notice. Ninety-nine witnesses actually attended hearings relating to 11 separate QCC investigations. Of these witnesses, 34 were legally represented.

In total, there were 68 hearing days throughout the year. Of these, 36 days related to major crime investigations, 27 days were devoted to organised crime investigations and 5 days were for paedophile investigations. Of the total 68 hearing days, 54 were held in Brisbane, with the remainder held in regional centres.

Hearings by reference type

	1998-99	1999-2000
Organised crime hearings	23	27
Major crime hearings	13	36
Criminal paedophilia hearings	8	5
Intelligence*	1	-
Total hearings	45	68

* Intelligence is not a reference type, however the 1998-99 statistics recorded one hearing in this category.

Witnesses by reference type

	1998-99	1999-2000
Organised crime	37	32
Major crime	16	62
Criminal paedophilia	9	5
Intelligence*	1	-
Total witnesses	63	99

* Intelligence is not a reference type, however the 1998-99 statistics recorded one hearing/witness in this category.

Applications were made during 1999–2000 to the Supreme Court for immediate attendance notices requiring two witnesses to attend at a QCC hearing immediately upon service upon them of the relevant notices.

Under section 97 of the *Crime Commission Act* a QCC officer, with the approval of the Crime Commissioner, may apply to a Supreme Court judge for a warrant for the arrest of a person who has been given a QCC attendance notice and has, without reasonable excuse, failed to attend the relevant hearing as required by the notice. QCC sought and obtained one such arrest warrant during the reporting period.

During 1999–2000 the Crime Commissioner acted as presiding member at all QCC hearings. QCC’s General Counsel and all members of QCC’s Legal Team appeared as Counsel Assisting at different hearings during the year. However, QCC hearings generally entail the active involvement of QCC officers from all disciplines, including police task force members who are

authorised QCC officers under the *Crime Commission Act*.

Investigating police officers assist legal staff in identifying areas of questioning and pursue lines of inquiry arising out of evidence given at hearings. Where appropriate, QCC financial analysts undertake preliminary financial inquiries to facilitate the examination of witnesses about any suspect financial transactions. QCC intelligence analysts may develop a full intelligence profile of a prospective witness and assist legal staff in identifying any information gaps that require attention. In short, QCC hearings entail a multi-disciplinary approach from all operational areas of QCC.

Notices to produce;

During 1999–2000, QCC issued 182 notices to produce under section 93 of the *Crime Commission Act*, 169 of which were served and all of which required the production to QCC officers of specified documents or classes of documents. The bulk of the notices (162) were issued to banks and other financial

institutions to obtain bank records relating to the financial transactions of persons under QCC investigation. The remaining notices were issued in relation to a range of other businesses or individuals such as legal practitioners, accountants, financial information service providers and real estate agencies.

In addition, QCC issued 2 notices on holders of appointments in units of public administration under section 73(2) of the *Crime Commission Act*, requiring the production of documents or things relevant to particular QCC investigations.

Other powers

In addition to the powers contained in the *Crime Commission Act*, police officers who are members of QCC–QPS task forces continue to have available to them the full range of police powers under the *Police Powers and Responsibilities Act*. These powers may also be used where appropriate and QCC sometimes assists in applications to the courts in relation to those powers.

Use of powers by Act and Section

	Section	1998–99	1999–2000
<i>Crime Commission Act;</i>			
Notice to a unit of public administration	73	6	2
Search warrant	74	2	-
Surveillance warrant	82	-	-
Covert search warrant	88	3	3
Notice to produce	93	286	169
Notice to attend	95	65	114*
Hearings	100	45	68
<i>Police Powers and Responsibilities Act;</i>			
Search warrant	28	6	-
Surveillance warrant	68	5**	9
Covert search warrant	74	1	1
Application to retain thing seized	108	1	-

* 10 notices to attend were not served.

** One device not installed.

Proceeds of crime

One of the QCC's strategies against organised crime in particular, is to seek to restrain and confiscate the proceeds of criminal activity. As profit is the major factor driving organised crime, the QCC focuses attention on attacking the profit motive and financial rewards that underpin all forms of organised crime. The confiscation of criminal assets denies offenders the opportunity of benefiting from their illegal activities; reinvesting financial, or other assets into the continuation and

expansion of criminal enterprises; or concealing their activities from law enforcement attention and justice. Asset confiscation also returns capital gained through criminal activities to the community.

The QCC's Financial Team is responsible for identifying and restraining or confiscating criminal assets under the current conviction-based *Crimes (Confiscation) Act 1989*. Currently, this legislation provides for criminal assets to be restrained until a conviction is recorded, then an application for a pecuniary penalty order may

proceed. If successful, a pecuniary penalty order will result in restrained assets being forfeited to the State.

This year, the QCC has had greater success at restraining criminal assets identified as a result of joint QCC-QPS investigations — with an increase of \$2 million worth of assets restrained compared to 1998-99. This figure does not include amounts of approximately \$1.3 million, where the QCC Financial Team assisted partner agencies in the identification and restraint of assets.

Assets restrained*#

	1998-99	1999-2000
Cash	71,235	84,308
Bank account/other financial deposits	182,000	368,604
Housing	-	1,395,000
Vehicles	38,000	194,024
Boats	-	2,000
Jewellery	20,000	48,925
Furniture	-	48,400
Business	-	130,000
Other	12,500	10,000
Total value of assets restrained	323,735	2,281,261

* The majority of assets restrained relate to organised crime operations.

This list does not include things seized.

QCC assisted in the restraint of \$300,000 as part of joint QPS/QCC/NCA/AFP Operation NICKEL/GILE, and assisted the Office of Fair Trading in the restraint of \$1m from joint QPS-QCC Operation HIBISCUS.

Joint operations with other agencies and inter-agency cooperation

The QCC works in close partnership with the QPS and other agencies to ensure cooperation at an operational level, and enhance the effective use of available resources. Not only does the QCC Management Committee include members from other law enforcement agencies to enhance liaison and coordination at an executive

level, QCC also participates in a variety of multi-agency forums that serve to promote communication and collaboration on major projects.

Liaison and coordination

Senior officers from the QCC and QPS met fortnightly as the Joint Executive Group to oversee the progress of joint investigations and projects, to provide strategic direction to operations, and to determine investigative priorities and resourcing issues. QCC members of the forum include

the Crime Commissioner, Assistant Crime Commissioner, Director Operations and Operations Coordinator, while QPS members include the Assistant Commissioner and Chief Superintendent of State Crime Operations Command, and the Superintendents in charge of the Bureau of Criminal Intelligence, Organised Crime Unit and State Drug Investigation Group.

In addition, QCC personnel liaise with the QPS in a number of key forums that determine

operational matters or involve the exchange of information. These include fortnightly meetings of the Covert Operations Evaluation Committee, Target Committee and State Crime Operations regional liaison meetings.

The QCC also participated in the National Coordination Committee of National Organised Crime Task Forces, convened by the NCA to coordinate investigations under national organised crime references. Other participating agencies include state police services, the New South Wales Crime Commission, Australian Federal Police, New Zealand Police, Australian Customs Service, Department of Immigration and Multicultural Affairs (DIMA), Australian Taxation Office, the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Securities and Investment Commission (ASIC).

The QCC also participated in monthly meetings of the Regional Joint Agencies (Queensland) forum, which provides a platform for state-based agencies to liaise and coordinate organised crime law enforcement in Queensland. Membership of this group includes the QPS, the regional offices of the AFP, NCA, Customs, DIMA, ATO and AUSTRAC.

Over and above these forums, representatives of the QCC's Intelligence Team attended meetings of groups such as the QPS South Eastern Region Intelligence Group and the law enforcement Joint Analyst Group that permit officers from a range of agencies to exchange information concerning the fight against organised crime. The

Commission was also represented at the two national Heads of Criminal Intelligence Agencies conferences held during 1999–2000.

At an operational level, QCC officers met regularly with law enforcement partners including the QPS, AFP, NCA and CJC to ensure that tactical objectives and operational effectiveness were achieved. During the course of the financial year QCC intelligence analysts visited a number of QPS regional offices to discuss perceived trends in organised crime and criminal paedophilia. These visits proved fruitful in that they generated intelligence to support QCC strategic assessments and they developed and consolidated relationships between the QCC and QPS officers across the State.

Joint task forces

The QCC's legislation requires it to work cooperatively with its partner agencies to ensure the efficient and optimal use of available resources; and that it conducts operational activities through joint task forces under the control of the Commissioner of Police. This means that the QCC does not have an extensive internal investigative capacity in its own right, and its resource needs are met by joint task forces provided by the QPS. This essential operational assistance includes the provision of investigative personnel, resources, field support, technical assistance and surveillance teams. During 1999–2000, there were a total of 31 operations conducted by joint QCC–QPS task forces.

In addition, the QCC worked in joint task force arrangements with the NCA and AFP.

Corruption and official misconduct matters

Suspected corruption or official misconduct matters uncovered in the course of QCC's 1999–2000 investigations were referred to the Criminal Justice Commission.

Evidence for prosecutions

During 1999–2000, the QCC, along with partner agencies, was involved in operations which led to prosecutions against 89 offenders on a total of 963 charges. This compares with 52 offenders charged in 1998–99 on a total of 344 charges. Most charges relate to offences committed under the *Criminal Code*, *Drugs Misuse Act*, *Weapons Act* and the *Classification of Computer Games and Images Act*.

Significant charges include:

- three persons charged with murder
- 13 drug trafficking charges
- 19 charges of producing a dangerous drug
- 151 charges of supplying a dangerous drug
- 56 possession of a dangerous drug charges
- 32 charges of extortion
- 55 indecent dealing charges
- 82 charges of indecent dealing with a boy under 16 and 225 charges against one offender of indecent treatment of a boy under 14 years
- 25 unlawful sodomy charges.

Charges by reference type

	1998-99	1999-2000
Organised crime	170	392
Major crime	1	27
Criminal paedophilia	173	544
Total charges	344	963**

* This differs from the figure published in last year's Annual Report (290) due to charges relevant to the financial year being recorded in the charge register outside the statistical collection phase.

** This figure is comparatively high due to one child sex offender being charged with 225 offences.

Offenders charged by reference type

	1998-99	1999-2000
Organised crime	44	65
Major crime	1	3
Criminal paedophilia	7	21
Total offenders charged	52	89

Outlook 2000-2001

- Focus on proactive investigative strategies to identify and target serial, organised and networked recidivist child sex offenders, who offend against multiple victims.
- Continue to target individuals, networks and crime markets according to the QCC's risk evaluation process.
- Attack the profitability of crime by maximising the identification and seizure of criminal assets.

Output 2:

Intelligence

1999–2000 Performance

Projected Performance

Continue to assess the criminal environment in Queensland, and through the risk evaluation process, identify organised criminal activity and enterprises causing, and potentially causing, risk to the safety of people in Queensland.

Project Ramson to continue to target high risk areas of organised crime and provide the QCC with an ongoing reliable and comprehensive monitoring capability.

Project Monarch will target heroin trafficking and money laundering by identifying money laundering methodologies and facilitators.

Complete Project Axis Information and Discussion Paper.

Begin phase 2 of Project Axis – a second public report with final conclusions and recommendations, plus a supporting law enforcement-in-confidence intelligence report.

Actual Performance

Project Ramson has continued to monitor developing trends and identify emerging methodologies in the Queensland criminal environment. In 1999–2000 the QCC reassessed the risk posed by the various illicit drug markets in Queensland and released a new assessment recognising that amphetamines now pose the greatest threat to the community of all the illicit drugs.

As noted above, Project Ramson continues to monitor the organised crime environment in Queensland. During the past year the QCC has released three law enforcement-in-confidence *Intelligence Digests* relating to identified organised crime trends. Ramson also continued to give effect to the recommendations made by Project Krystal*, generating a current tactical operation and related intelligence project.

Project Monarch was concluded in November 1999. It led to Project Faber, a strategic intelligence initiative focusing on the investigation of suspected facilitators of money laundering. This project has already produced a tactical operation currently being advanced by the QCC.

Project Axis Volume 1 *Child Sexual Abuse in Queensland: The Nature and Extent* was released in June 2000, with two companion publications.

In addition, in December 1999 the QCC commenced Project Cassius — a strategic intelligence assessment of the nature and extent of networked/organised child sex offending in Queensland. Project Cassius will release a law enforcement-in-confidence report in late 2000.

Project Axis Volume 2, which focuses on community and criminal justice responses to child sexual abuse in Queensland is due for release in the latter half of 2000.

* Project Krystal was a joint QCC–QPS strategic assessment of organised crime in Queensland.

Proactive, risk-based criminal intelligence

Complementing the QCC's investigative function is the legislative requirement that the Commission establish and maintain an effective intelligence service and monitor criminal activity with a view to forecasting trends. The product of the Intelligence Team may be purely strategic, involve a mixture of strategic and tactical outcomes, or may be solely tactically focused in support of operational activities.

The QCC is able to have a significant impact on the Queensland law enforcement environment as a result of the emphasis the Commission places on the production of quality proactive strategic intelligence. By constantly assessing and reviewing the organised crime environment in Queensland the QCC is able to identify trends, target activities and entities and move to address the problem. This is in contrast to a more reactive style of investigation that relies on referrals from other law enforcement agencies or complaints from the public. The QCC has striven to produce its own menu of work, making the activities of the Commission complementary to, rather than competitive with, other law enforcement agencies.

The intelligence function is enhanced by the involvement of staff in multi-disciplinary teams allowing analysts full access to experts in each of the financial, legal, investigative and research fields. Each of these professions contributes additional skills to the intelligence process and its products.

During the 1999–2000 financial year the Intelligence Team provided support to 25 strategic and tactical projects and investigations. Of these, 17 related

to organised crime matters while eight were concerned with criminal paedophilia.

Strategic intelligence product — forecasting trends and threats

Strategic activities are directed towards monitoring the current criminal environment with a view to detecting and predicting trends, identifying new methodologies used by offenders in committing crimes, and evaluating methods used by law enforcement to detect and investigate those crimes. The trends and problems identified are subjected to a risk evaluation process that helps guide the QCC's future operational direction. The use of a risk evaluation process permits the QCC to efficiently allocate its resources to criminal activity assessed to pose the greatest risk and cause the greatest concern to the Queensland public.

During 1999–2000, QCC intelligence analysts have been involved in five major strategic intelligence projects.

Strategic projects

Project Ramson

Project Ramson is the vehicle through which the QCC facilitates its continuing overview of the organised crime environment in Queensland, including the identification of trends and methodologies along with issues requiring further tactical development.

Each of the relevant illicit markets, including those previously identified by Project Krystal, and newly emerging markets, are identified and assessed for proactive investigation. Crime markets are then prioritised for action

according to the risk assessment methodology developed and applied in Project Krystal.

Project Ramson is also responsible for the production of regular law enforcement-in-confidence intelligence reports that provide advice in relation to matters identified and the assessed level of accompanying risk. Based on the conclusions of the Project Ramson assessment, the QCC commenced preparation of a public release *Crime Bulletin* to inform the community of the Commission's conclusions.

One of the major outcomes of Project Ramson during the year involved the reassessment of the risk posed by the various illicit drug markets. Following extensive consultation with partner agencies the QCC has now re-evaluated the level of risk posed by the amphetamine market to the community as being 'very high' (previously assessed as 'high').

Project Cassius

Project Cassius is part of the QCC's response to criminal paedophilia in Queensland, and is a joint strategic initiative involving both the QCC and QPS. The project has involved extensive consultation with law enforcement and correctional officers throughout Queensland, as well as an extensive review of relevant literature and law-enforcement holdings. The primary purpose of the project is to produce a strategic report outlining the nature and extent of networked/organised child sex offending in Queensland. The report will also include specific recommendations for change in relation to legislation, policy and law enforcement methodologies.

The amphetamine market in Queensland

Project Krystal reported in June 1999 that the heroin market represented the highest risk to the community of all illicit drug and organised crime markets. Since that time, the QCC has monitored organised crime markets and consulted with law enforcement agencies, Government departments and community-based stakeholder groups in Queensland as part of an ongoing risk assessment process.

Based on those consultations, a comparison of amphetamine and heroin market indicators, and a detailed analysis of law enforcement operations and criminal intelligence over the past twelve months, QCC published a law enforcement-in-confidence intelligence assessment in June 2000.

This assessment determined that the amphetamine market currently constitutes the highest risk illicit drug market in Queensland. This assessment was based on the extent and ease of amphetamine availability; the extent and ease of its production; the degree of organisation required to produce and distribute the drug; the extensive demand for it; and the harm to the community caused by amphetamine abuse.

In addition, the illicit amphetamine industry has significant potential to become an even more serious problem for law enforcement agencies, the public health system and other stakeholders in the future. Moreover, not only is the amphetamine market a serious problem in its own right — there clear links were identified between it and other crime markets.

Based on this intelligence assessment, QCC intends to publish an open sourced Crime Bulletin in 2000–01 discussing the extent of Queensland's amphetamine problem; market indicators (supply and demand characteristics); links between crime markets; and QCC's revised risk assessment.

In addition to its strategic function, Project Cassius will identify specific networks of child sex offenders in Queensland, and rank these according to the risk they pose to the Queensland public.

Project Cassius will release a law enforcement-in-confidence strategic report in 2000–01. It is anticipated that a number of tactical operations will stem from this report.

Probe Ariadne

Ariadne is a strategic intelligence probe aimed at identifying and assessing the nature, extent and sources of organised criminal activity in or emanating from a specific location in Queensland. In particular, Ariadne will identify major sources of drug trafficking in this area and recommend specific targets for tactical investigation.

While a comprehensive strategic report will be released in late 2000, strategic and tactical intelligence is being disseminated to relevant partner law enforcement agencies as it comes to hand. To date numerous information reports have been uploaded to the Australian Criminal Intelligence Database (ACID), in addition to a number of formal and informal disseminations to police. Specific individuals and businesses of interest to the QCC have been identified, and are being developed as potential targets.

Mixed strategic and tactical outcomes

Projects with mixed strategic and tactical results are designed to improve our knowledge and understanding of an identified criminal activity while simultaneously producing targets worthy of tactical targeting. Tactical targets are once again

selected in accordance with the QCC's risk evaluation process. The intelligence team conducted four such projects during the year, that have contributed significantly to law enforcement's understanding of particular criminal activities and have also resulted in the commencement of target development in relation to a number of persons of interest. These projects also generated four tactical operations.

Project Faber

Project Faber commenced in November 1999 and was designed to implement a recommendation of Project Krystal that identified money laundering as a high risk illicit activity. Project Faber attempts to interrupt the money laundering cycle by investigating those people with the skills and knowledge to professionally structure tainted money for other criminals.

Faber is an ongoing QCC intelligence project aimed at identifying and assessing persons and entities suspected of facilitating money laundering activities in Queensland. As well as providing a strategic overview of the problem the project is directed towards identifying persons and activities of interest with a view to target development and tactical investigation where appropriate.

By May 2000 the Project had identified a significant person of interest and a tactical operation was commenced.

Tactical activities — providing intelligence support to investigations

The provision of intelligence support to tactical investigations is one of the most important functions of the Commission. It recognises the relationship between current criminal activity and the ability of law enforcement to detect and understand emerging trends. Intelligence product generated in the course of active operations is fed into and informs the overlying strategic projects.

The Intelligence Team provided support to 18 tactical investigations in 1999–2000. Of these, 11 related to organised crime matters and seven were criminal paedophilia investigations.

The QCC's intelligence team also provided analytical support to major crime investigations being advanced by the Commission. Frequently intelligence holdings obtained in the course of such investigations bear relevance to understanding the broader organised crime environment.

QCC's tactical intelligence activities targeted a diverse range of criminal activities, including:

- the trafficking, supply and

distribution of heroin, cocaine, amphetamines, cannabis, MDMA (ecstasy) and other designer drugs

- money laundering
- systematic burglaries and disposal of stolen property
- extortion
- loan sharking
- serious assault
- murder
- child sex offences
- offences relating to obscene material depicting children.

While the strategic projects covered the length and breadth of Queensland, targets of tactical investigations and probes were geographically spread along the eastern seaboard of Queensland from the New South Wales border to Townsville and west to Blackwater and the Darling Downs. A number of the targeted networks had both interstate and international links.

Target identification

The combination of strategic intelligence, the application of the risk assessment methodology to prioritise potential targets, and selective tactical intelligence activity ensures that the QCC can always generate sufficient worthwhile organised crime targets to satisfy its statutory responsibilities.

Both strategic and tactical activities undertaken by the QCC result in the identification of persons and activities of interest that may then be assessed for appropriate target development.

Following the completion of target development, and the associated risk evaluation process, a number of outcomes are possible. If the illicit activity or person of interest is considered 'low risk', intelligence holdings will be updated

accordingly and the matter will receive a low priority. However developments will continue to be monitored and the risk reassessed at regular intervals. These, and higher risk matters, may also be referred to a partner law enforcement agency for consideration of further investigative action. This will generally occur where the QCC is satisfied that the matter can be more appropriately advanced by another agency.

If the risk is considered 'high' the matter may proceed in several ways. In the first instance the matter may become the subject of a tactical investigation advanced by a QCC multi-disciplinary team involving intelligence analysts, legal and financial professionals and police investigators.

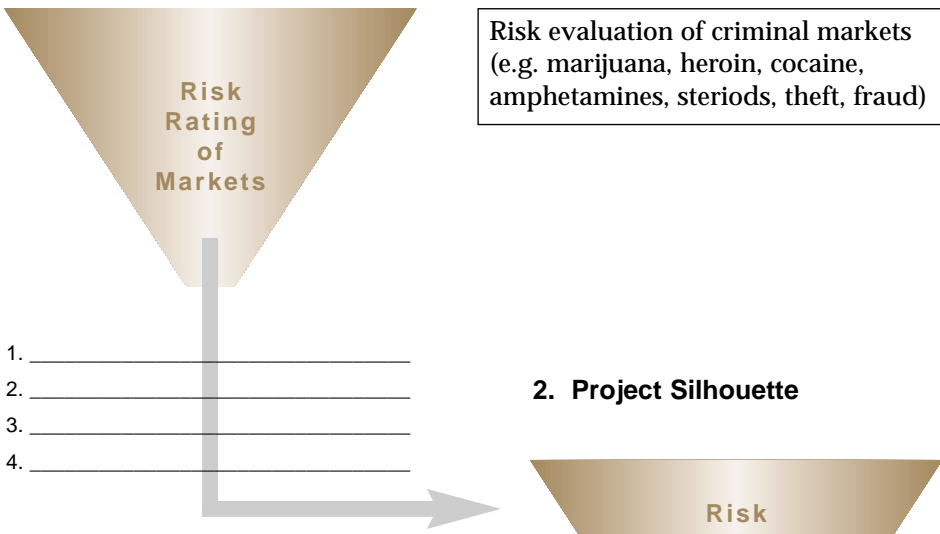
During the year four tactical operations were commenced deriving from target development projects undertaken by the QCC.

A matter may also be progressed by a joint task force entered into by the QCC and the Police Service, which may also involve other partner law enforcement agencies such as the National Crime Authority or the Australian Federal Police. Frequently matters which are initially advanced tactically within a QCC multi-disciplinary team will progress to being the subject of a joint task force.

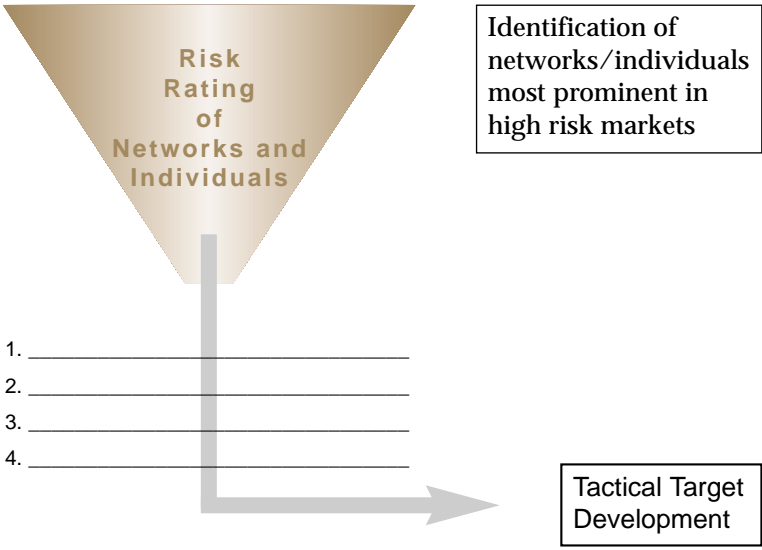
In the 1999–2000 financial year three target development proposals were considered by the QCC–QPS Joint Executive Group. It is the responsibility of this forum to determine which targets become the subject of tactical investigation by joint task force, taking into account available investigative resources. All three target proposals were accepted by the Joint Executive Group and the subject targets were investigated accordingly.

Risk Assessment Based Target Development

1. Project Ramson



2. Project Silhouette



Risk assessment based target development

During 1998–99, the intelligence section completed a strategic target development initiative that ranked twelve significant Queensland criminal identities in priority order for investigation according to the level of risk they were assessed to pose to the Queensland public.

In 1999–2000, the two assessed highest risk criminals were arrested by partner law enforcement agencies for drug trafficking and related offences following successful

investigations in which the QCC played a role. The criminal identities assessed to pose the third and fourth highest risk are currently under investigation by the QCC. Moreover, one of the successful tactical investigations identified a significant local drug supplier who is now the subject of an intensive multi-agency task force investigation.

The QCC Intelligence Team continues to use a risk assessment based methodology as a vehicle for ongoing target development.

Information exchange

The QCC continues to be an active participant in the broader law enforcement environment in both Queensland and Australia. Commitment to the appropriate exchange of information and intelligence sees the QCC involved significantly in liaison and information sharing activities. This ensures that duplication of effort is minimised and that all partner law enforcement agencies are well informed.

The intelligence database

The QCC uses the Australian Law Enforcement Intelligence Network (ALEIN) administered by the Australian Bureau of Criminal Intelligence (ABCI). ALEIN includes the Australian Criminal Intelligence Database (ACID) as both its intelligence database and a method of prompt dissemination of criminal intelligence to both intrastate and interstate law enforcement agencies. ACID is also an important intelligence tool that permits QCC officers to review tactical and strategic intelligence reports from partner agencies to assist in the investigation of organised crime and criminal paedophilia.

During 1999–2000 the QCC contributed a total of 162 source documents to ACID. Source documents consisted of intelligence and information reports, offender profiles and criminal and post operational assessments focusing on organised crime, criminal paedophilia and other criminal activity.

As well as contributing to ALEIN and ACID by disseminating source documents, intelligence analysts at the QCC use the databases to create new entities and associations between diverse pieces of data (for example persons of interest, addresses of interest, vehicles and telephone numbers of criminal identities).

These entities and associations benefit other ACID users by creating searchable links between persons of interest and their criminal associates and activities. In 1999–2000, the QCC created 911 entities that were linked to the documents uploaded by the QCC and other entities already on ACID. Less than 10% of the information lodged by the QCC onto ACID is caveated, and most caveats are applied solely to protect sensitive sources of information or the disclosure of details specific to current operations. In the latter case, the caveats are normally removed upon completion of the operation.

Disseminations

The QCC recorded a total of 237 disseminations of intelligence product to other law enforcement agencies during the year.

Intelligence Digest

As part of its information exchange activities, QCC created a law enforcement-in-confidence publication, the *Intelligence Digest*, to provide updates on the findings of the Commission's intelligence activities. Three *Digests* were produced in 1999–2000, focusing on critical aspects of Queensland's drug market, and distributed to a range of law enforcement stakeholders. The quickly absorbed format and content of these publications were well received by partner agencies.

Inter-agency liaison

During May–June 2000 senior QCC intelligence staff participated in an extensive liaison exercise visiting regional commands of the Queensland Police Service, providing information in relation to the past, current and future intelligence activities of the QCC. The liaison visits also provided a forum for the exchange of intelligence between the agencies and material obtained during the

exercise made a significant contribution to the QCC's understanding of organised criminal activity in regional Queensland. A liaison visit to one remaining regional command has been scheduled for 2000–01.

The QCC has continued to consolidate its relationships with other agencies with a view to continually improving and facilitating the exchange of relevant information between them. To this effect the intelligence team is an active participant in a number of forums including the Joint Agency Liaison Meeting, the Regional Intelligence Group (South East Region), the Joint Analyst Group and the Heads of Criminal Intelligence Agencies Forum.

Participation in joint operations

During the year the team provided intelligence support to a total of 12 joint tactical investigations being advanced by joint agency task forces of which the QCC was a member. Of these, officers from the intelligence section provided intelligence support to six joint organised crime investigations involving QPS, AFP and the NCA during 1999–2000. Two of these joint investigations were initiated by the QCC through its internal target development process.

The QCC Intelligence Team's involvement in the remaining four joint investigations followed requests from external agencies — three requests from the QPS for intelligence support, and one request from the NSW Crime Commission in relation to criminal activities and identities located in Queensland. The six remaining matters were advanced in the context of tactical investigations conducted by Task Force Axis, a joint QCC–QPS investigative cell concentrating on criminal paedophilia.

Project Axis

The first volume of the Project Axis report *Child Sexual Abuse in Queensland: The Nature and Extent* was released in June 2000. This report was a joint initiative of the QCC and QPS.

Project Axis Volume 1 incorporates the findings of independent research jointly funded by the QCC and the Criminology Research Council into child sex offending in Queensland. The research was undertaken by Dr Stephen Smallbone and Dr Richard Wortley of the School of Criminology and Criminal Justice at Griffith University.

In addition, the QCC released two companion publications to Project Axis Volume 1:

- a collection of research papers prepared by individual academics entitled *Child Sexual Abuse in Queensland: Selected Research Papers*
- the full report of the research project undertaken by Drs Smallbone and Wortley entitled *Child Sexual Abuse in Queensland: Offender Characteristics and Modus Operandi*.

Volume 2 of Project Axis is due to be released in the latter half of 2000, and will examine the responses to the problem, including policies, procedures, structures and practices adopted by various institutions. This volume will examine whether existing measures are adequately addressing the needs of victims, and meeting legitimate public expectations in dealing with offenders.

Key findings

The findings of Volume 1 of the Project Axis include:

Reported and unreported child sexual abuse

- Reporting of child sex offences in Queensland increased in the years 1995 to 1998.

Victim characteristics

- Seventy-two per cent of offences reported to QPS involve female children.
- Male victimisation is under-reported.

Offender characteristics

- Child sex offenders are most likely to be known to their victims and to perpetrate abuse in their own or their victim's home.
- The average number of victims of offenders who abuse children within their families (intra-familial offenders) is generally small, although these offenders abuse their victims over a longer period and perpetrate the highest number of abusive acts per child.
- The average number of victims of extra-familial offenders (who abuse children outside the family) is higher than intra-familial offenders, although these offenders commit fewer abusive acts per child over a shorter period of time.
- Mixed-type offenders (who offend within and outside the family) were the smallest group in the offender study. However, the average number of victims for this group is highest and these offenders commit a high number of abusive acts per victim over long periods of time.

Targeting children for sexual contact

- Offenders most often seek victims close to home. For intra-familial offenders this clearly involves their own children.
- Extra-familial and mixed-type offenders seek victims among the children of friends, or other children with whom they already have some social relationship.
- Mixed-type offenders were more likely than other offenders to seek children in public locations such as public toilets and parks.
- The most commonly reported strategies for gaining time alone with a child revolve around domestic routine, emphasising the close-to-home nature of child sexual abuse.

The 'grooming' of children for sexual contact

- Offenders report that gaining the trust of a child is more commonly achieved through forming an emotional relationship with the child rather than buying the child's trust with gifts.
- Offenders engage in a gradual process of desensitising the child to sexual activity by progressively exposing them to sexual touching or to pornography.

Disclosure of child sexual abuse

- About half of the victims of child sexual abuse never report the abuse to another person.
- Less serious offences, and offences committed by someone unknown to the child, are more likely than other offences to be disclosed at the time of the incident.

- Most children who do disclose sexual abuse tell their mothers first. However, relatively few complaints are made to an official agency such as police.

Associations among offenders

- Most child sex offenders offend in isolation and there is little, if any, identifiable organised offending.
- Networks of child sex offenders, primarily social and informal in nature, do exist in Australia and in

Queensland, but most networking does not usually lead to the commission of joint sex offences against children.

- Prisons provide an environment in which some child sex offenders establish contact with other offenders, and these friendships or associations are often maintained after release from prison.
- The Internet is increasingly used by child sex offenders to facilitate networking,

mainly for the distribution and exchange of child pornography.

The low level of disclosure of child sexual abuse is one of the central impediments to agencies in providing appropriately targeted responses to the problem. Project Axis reported that prevention of child sexual abuse is perhaps the most important response to the problem.

Outlook 2000–2001

- Project Ramson will continue to assess the criminal environment in Queensland using a risk evaluation process to identify organised criminal activities and enterprises causing, and potentially causing, risk to the safety and prosperity of people in Queensland.
- The publication of periodic law enforcement-in-confidence reports, focusing on those organised crime or criminal paedophilia matters of strategic importance.
- The publication of periodic public release *Crime Bulletins* advising the Queensland community in terms of organised crime trends and the associated risks.
- Project Faber will continue to target the facilitators of money laundering, identifying entities involved in such activities and refer them for tactical investigation.
- Completion of Probe Ariadne and the dissemination of a strategic law enforcement-in-confidence report.
- Completion of Project Cassius, accompanied by the release of a law enforcement-in-confidence report.
- Completion of Project Axis Volume 2 *Child Sexual Abuse in Queensland: Responses to the Problem*.
- The continued proactive development of tactical targets (both organised crime and criminal paedophilia) based on the strategic activities of the intelligence team.

Operational Support

1999–2000 Performance

Projected Performance

QCC will continue to progress and finalise enterprise bargaining commitments during 1999–2000 and negotiate a new Certified Agreement.

Revise and update QCC's Strategic Plan.

Finalise QCC policies and procedures manual.

Progress human resources management manual and finalise the financial management procedures manual.

Review QCC's EEO Management Plan.

Commence development of QCC risk management policy.

Launch a QCC Internet home page.

Actual Performance

QCC negotiated inclusion under the State Government Departments Certified Agreement. This agreement remains effective until 30 April 2003.

QCC's Strategic Plan received some minor amendment during the year.

Key areas of the policies and procedures manual, such as security instructions, were completed during the year.

Key policies and procedures in HRM were progressed during the year. Substantial progress of the FAPM was also achieved during the year.

A review of the major components of the EEO Management Plan 1998–2001 was undertaken to ensure the Commission complies with relevant objectives of the plan.

The QCC commenced a risk documentation and evaluation project that will continue into 2000–01.

QCC's web site became operational in November 1999.

Administration

Asset Management

An audit of all Commission assets was completed, as required under the Financial Management Standard. Portable and attractive items (of a value less than \$1000) have been bar coded and registered on the QCC asset register system as a safeguard measure. There were no recorded losses of assets or attractive items during the financial year.

Purchasing

The QCC purchasing policy including the use of corporate cards was amended during the year to include relevant legislation to account for the introduction of the Goods and Services Tax (GST).

Records management

QCC's registry is responsible for the management of all records held by the Commission. At the

30 June 2000, these holdings consisted of 282 in-confidence and standard files, 299 protected files and 280 highly protected files, taking the file total to 861. This is an increase of 478 compared to the previous year, which included: a total of 383 files (123 in-confidence or standard files, 149 protected files and 111 highly protected files).

Registry exhibits, including video tapes, audio tapes and documents deriving from notices

to produce, hearings and other investigative activities, also increased from 217 in 1998–99 to 676 in 1999–2000. Exhibits such as drugs, cash and weapons are handed to the Queensland Police exhibit facility for secure storage.

In addition, registry personnel maintain database registers containing particulars for warrants, disseminations, notices to attend and notices to produce issued by the QCC. These registers may be reviewed by the Parliamentary Criminal Justice Commissioner and the Public Interest Monitors.

The *Libraries and Archives Act 1988* requires agencies to apply to State Archives for permission to destroy records and also approve permanent status for others. As paper records increase and to ensure QCC's compliance with the legislation, a strategy has been developed so that QCC will have a schedule prepared during 2000–01 to assist records management.

Information technology

QCC information systems are designed to provide operational support and information collection. Specialist tools and systems are directed at case management and information analysis. Major hardware and software purchases in 1999–2000 included workstations, a second

laptop, network server, printers, contractors, network upgrade (server) and software and licensing fees.

Statistical database

One of the major information management highlights in 1999–2000 was the development of the Operations Statistical Information System (OASIS), to provide timely and accurate access to relevant QCC statistical information for budgeting and performance measurement purposes.

Law enforcement database access

Access to external law enforcement agency databases was improved, with the addition of on-line access to the NSW Police Services' COPS database.

Automated data entry

An automated data upload facility was developed for a key intelligence database. This additional function removed the requirement for manual data entry, enabling staff to concentrate on the task of information analysis.

Hardware

The business continuity capability of the QCC was improved during the financial year by the purchase of additional IT spare parts. The components purchased include a

'hot' spare disk drive and fileserver, together with appropriate disaster recovery software. This will ensure that the QCC is able to quickly recover from business down time should there be a hardware failure.

Year 2000 planning

In the lead up to the Y2K deadline, QCC undertook rigorous system testing, planning and remediation of all hardware, software and database systems. As a result of the extensive preparations, there were no problems encountered during the Y2K transition. All information systems were trouble free in the roll over to the year 2000.

Information security audit

All outstanding matters from the information security audit completed with QPS information security specialists in 1998–99 were implemented during the year. These included:

- reorganisation of the directory structure
- electronic documents being given a security classification
- improved physical security
- improved off-site storage for back-up tapes
- the purchase of network monitoring software
- installation of anti-virus software on all PCs.

Staff by designation (as at 30 June)*

	1998–99	1999–2000
Crime Commissioner	1	1
General Counsel	1	1
Sworn Police	2	2
Operational	24	24
Operational Support	7	7
Total staff	35	35

*Full time equivalents.

Personnel

Staffing

The Commission did not increase its staffing level above the 35 full time equivalent staff members it had in 1998–99. While a new Assistant Crime Commissioner position was created at the end of June 2000, this part-time position was filled by QCC's existing General Counsel, and therefore did not require the appointment of an additional staff member.

Human resource management

QCC's draft human resource policies have been undergoing refinement during the year. A revised manual governing policies and procedures for the management of QCC employees and the maintenance of appropriate records will be completed in 2000–01.

EEO Management

The EEO Management Plan 1998–2000 was made accessible to all

staff via the QCC's information management system. Work also commenced on the development of an EEO Management Plan to cover the period 2000–2002. Existing objectives will be reviewed and modified to suit the Commission's evolving human resource needs. A survey of all staff was undertaken in June 2000 to compare with the previous year's statistics.

Table: Membership of EEO target groups — 1998–99 and 1999–2000

	Women	NESB	ATSI	People with Disabilities
1998–1999	43.0%	13.0%	0%	0%
1999–2000	48.6%	5.4%	0%	0%

Figure: Employees age and gender, as at 30 June 2000

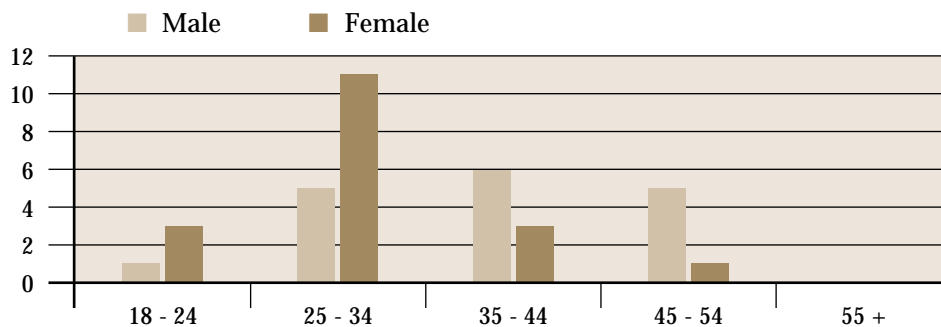


Figure: Employees salary by gender, as at 30 June 2000

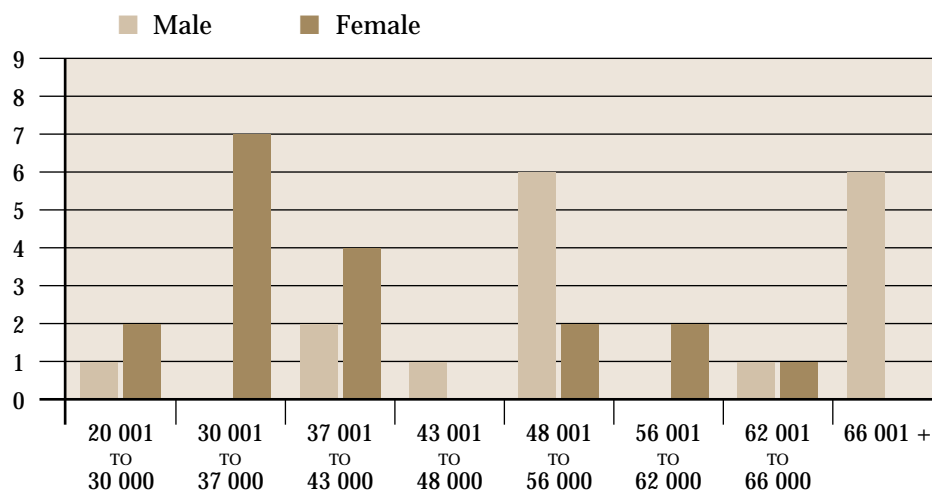
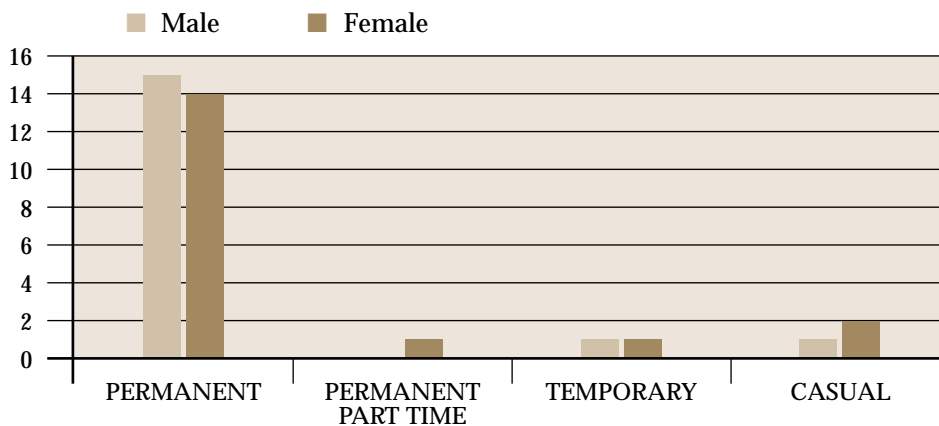


Figure: Employment status by gender, as at 30 June 2000



Enterprise Bargaining

The QCC Enterprise Bargaining Agreement certified by the Queensland Industrial Relations Commission in 1998, covering all staff employed under the *Public Service Act 1996*, expired on 31 December 1999.

As a result of negotiations with the Department of Employment, Training and Industrial Relations (DETIR), the Crime Commission moved under the umbrella of the State Government Departments Certified Agreement 2000. This new agreement took effect on 1 January 2000 and will remain in force until 30 April 2003.

The Agreement is committed to providing training, employment security, recognition of accredited qualifications and salary packaging.

Staff development and training

QCC continues to place emphasis on the training and professional development of employees. During 1999–2000, several staff have undertaken further study under the QCC SARAS scheme. Study assistance provided by the Commission may be used for organisational and personal development, and for assisting and encouraging officers to undertake courses and research

which directly contribute to the achievement of the Commission's goals. This scheme is also designed to meet specific work needs above an officer's personal vocational development, and to develop an officer's personal skills for vocations in the public service.

During the 1999–2000 financial year three QCC intelligence analysts attended the revised National Strategic Intelligence Course, conducted by the Australian Bureau of Criminal Intelligence in affiliation with Charles Sturt University.

Other training courses attended by QCC staff during the year included leadership development, report writing, analytical interviewing, Internet and OASIS training, Word computer courses, training in the use of the QCC telephone system, information technology training, RecFind training, Workplace Health and Safety, budget and accounting courses to prepare for the GST, and new trends in budget management.

Conferences attended by QCC personnel included: the 15th World IACOLE World Conference, International Criminal Law Congress and Criminal Law Conference, CrimTrac Symposium, Queensland Law Society Symposium 2000, Australian Institute of Criminology

Conference, Criminal Intelligence Conference – AUSTRAC, Performance Management seminar, National Coordinators Conference and the 22nd International Organised Crime Conference.

In addition, the QCC commenced a program of lunchtime training seminars. These are information sessions presented to employees on topics of interest to QCC staff. Speakers were drawn from either the professional disciplines and resources within the Commission, or were invited from other agencies to contribute expertise in a particular area. The seminars presented included topics as varied as Year 2000 implications and associated contingency plan, QCC operations and investigations, hearing procedures, registry functions and the intelligence process.

Finance

Goods and Services Tax (GST)

The Commission made application for and was provided with an Australian Business Number (ABN) in order to prepare itself for the introduction of the Goods and Services Tax (GST) that was introduced on 1 July 2000. Training was undertaken by appropriate staff to gain an understanding of the new tax

regime and to ensure correct business practices were implemented at the Commission.

Audit

QCC's 1999–2000 accounts have been audited and approved by the Queensland Audit Office. A statement of QCC's financial position and associated notes is appended to this report.

Library

To reduce costs, the QCC Library has a number of cooperative arrangements with libraries at the QPS, CJC and other law enforcement agencies including the AFP and NCA. Arrangements include the sharing of relevant information via use of inter-library loans and circulation of current awareness bulletins and on-line services. During the year, the QCC Library has continued to pursue a policy of subscribing to electronic and on-line information services in preference to hard copy material, particularly where savings have been identified.

The major initiative of the year was to link QCC desktops to the QPS Virtual Library. The Virtual Library is an Internet formatted system published on the QPS Bulletin Board and allows QCC to search for material and make borrowing requests. In addition, the Virtual Library increasingly has on-line access to full text documents and is linked to GovNet, which provides access to the library facilities and information resources of other Government departments. The benefits to the QCC of using the Virtual Library include a reduced need for an extensive QCC library collection and associated savings, and a reduction in the potential double-up of resources.

Research

The research discipline continued to contribute to intelligence

outcomes during the year and assisted with the development of investigative strategies. A number of inter-disciplinary and collaborative research projects have given effect to the QCC goal of being research-based and intelligence-driven.

For example, Dr Stephen Smallbone and Dr Richard Wortley of Griffith University's School of Criminology and Criminal Justice completed a study of convicted child sex offenders in Queensland in conjunction with the QCC-QPS Project Axis. Research for this study was conducted by the Australian Key Centre for Ethics, Law, Justice and Governance and the School of Criminology and Criminal Justice, Griffith University for the Crime Commission and the Criminology Research Council.

In addition, the QCC has actively sought to work collaboratively with academics who have expertise in criminology and economics to contribute to the development of strategic intelligence. As such, QCC is collaborating with researchers on a number of different projects to supplement its existing research/library and intelligence capacity. One project of this nature involves an Adjunct Lecturer from the University of Southern Queensland, who is participating in a QCC intelligence project that is creating an economic model of Queensland's organised crime marketplace.

Education about QCC

Annual and other reports and publications

The QCC's Annual Report is the main vehicle for communicating the Commission's role, activities and performance and is a useful publication for a wide variety of readers including: academics, politicians, law enforcement agencies, and interested members

of the general public. The QCC's second annual report, covering the year 1998–99, received a commendation in the Institute of Internal Auditors — Queensland Branch 1999 Queensland Public Sector Annual Report Awards.

Website

During 1999–2000 QCC commenced design of a website to improve public access to, and enhance awareness of, the Commission, its role, functions and activities. This website commenced on 30 November 1999, and is linked to the State Government and QPS web pages, and the web sites of all Australian police services. In March 2000 it was registered with major search engines, increasing traffic to the site. A total of 13,117 hits were recorded in the period 30 November 1999 to 30 June 2000, peaking with over 1200 hits recorded on the day of the release of the Project Axis Volume 1 report, the full text of which was loaded onto the web page.

Media liaison

The media is an important means of communicating the QCC's activities to the Queensland community and, in some instances, publishing information to assist investigations. QCC seeks to accommodate and assist journalists as much as possible in instances that will not compromise operational considerations, and endeavours to build a strong and positive relationship with all facets of the media. The QCC revised some aspects of its media policy during the year to reflect a more practical approach with regards to its activities. It has responded to approximately 50 media requests during the year. In addition, key officers have given several interviews relating to specific requests.

There was only one formal media conference during the year,

related to the release of Volume 1 of the Project Axis report.

Conferences, lectures and seminars

Participation in various conferences and seminars and

providing lectures about the QCC and aspects of its activities is an important part of communicating its objectives to specialist audiences. As QPS is a key client of the Commission, numerous lectures were presented to police around the State in

1999–2000. This gave police a more detailed understanding of the Commission's place in the law enforcement environment, and its relationship with the QPS.

Lectures delivered by the Crime Commissioner and other staff include:

DATE	TITLE	AUDIENCE
28 July 1999	Project AXIS	Queensland Youth Alliance
7 September 1999	Keeping the QCC on track and in line	IACOLE Conference Sydney
9 September 1999	QCC hearings and the role lawyers play in them	7th International Criminal Law Congress
4 October 1999	Telecommunications Interception	Parliamentary Criminal Justice Committee
19 October 1999	Juries and Jury Trials Seminar	Legal and Accounting Management Seminars (LAAMS)
22 October 1999	Project Axis	Girl Guides Council
28 February 2000	QCC Role and Functions and Project Axis	Esther Trust
16 March 2000	QCC Role and Functions	Queensland Drug Forum, Alcohol and Drug Service, Roma St
17 March 2000	Homicide Investigation Course	QPS Academy — Oxley
20 March 2000	QCC Role and Functions	Presentation for Constables (QPS)
13 April 2000	QCC Intelligence Section	QPS North Coast Regional Management Meeting
18 April 2000	QCC Role and Functions	QPS Chief Superintendents Forum
18 April 2000	Organised Crime Investigations QCC Approach	QPS Chief Superintendents Forum
26 April 2000	Organised Crime Investigations QCC Approach	State Crime Operations Command (Commissioned Officers and Senior Sergeants)
8–11 May 2000	QCC Intelligence Section	QPS Cairns, Townsville, Mackay, Rockhampton
11 May 2000	QCC Role and Functions	QPS Metropolitan North Region Detectives Conference
12 May 2000	QCC Role and Functions	1st Year Constable Program, QPS Academy — Oxley
22 May 2000	QCC Role and Functions	1st Year Constable Program QPS Academy — Townsville
6 June 2000	QCC Role and Functions	QPS Academy — Oxley
21 June 2000	QCC hearings and the role lawyers play in them	QUT law students

Outlook for 2000-2001

- Finalise HRM manual and implement a new EEO Management Plan for 2000–2002.
- Local instructions on purchasing to be drafted in accordance with the new State Purchasing Policy.
- Progress development of a QCC Financial and Administrative Procedures Manual.
- Develop and implement an approved disposal and retention schedule under the *Libraries and Archives Act 1988*.
- Develop a QCC Intranet to provide QCC staff with more rapid and effective access to corporate information, policies and dissemination of information.
- Redevelop and enhance the QCC Internet website.
- Implement network management tools and introduce a standard operating environment (SOE) to reduce desktop hardware and software management costs.
- Reconfigure the connectivity between QCC and QPS e-mail systems.
- Reconfigure the QCC library catalogue to allow for its inclusion in the QPS Virtual Library system.

Appendix A

Crime Commission Act 1997

Objects

The objects of the *Crime Commission Act* are to provide for:

- a) the establishment of a permanent Crime Commission to investigate criminal activity referred to it and, in particular, criminal paedophilia and major and organised crime;
- b) the establishment of a Management Committee to oversee the activities of the Crime Commission and to refer matters to the crime Commission for investigation;
- c) the accountability of the Crime Commission to the Minister and the Legislative Assembly; and
- d) a mechanism for the investigation of complaints against the Crime Commission or members or officers of the Crime Commission.

QCC's functions

QCC has the following functions:

- 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 Criminal Justice Commission;
- 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; and
- 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.

QCC's jurisdiction

Criminal paedophilia means activities involving:

- a) offences of a sexual nature committed in relation to children; or
- b) 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 not less than 14 years.

Organised crime means criminal activity that involves:

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

A thing is *relevant criminal activity* if it involves:

- a) criminal paedophilia; or
- b) organised crime; or
- c) something that is:
 - i) preparatory to the commission of criminal paedophilia or organised crime; or
 - ii) 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.

QCC's 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;
- with Supreme Court approval, requiring a person to attend a hearing immediately in circumstances where delay might result in the commission of an offence, the escape of a suspected offender, the loss or destruction of evidence or prejudice an investigation;
- 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.

A person served with an attendance notice must comply with its requirements in all respects, including the continuing duty to attend unless and until excused by the presiding member. Failure to observe an attendance notice without reasonable excuse amounts to an offence.

Witnesses who fail to answer an attendance notice or, having attended for examination, refuse to be sworn or questioned, or having been sworn, disobey any lawful requirement of the Crime Commissioner commit an offence against the *Crime Commission Act*. For example, it is an offence to fail to produce demanded documents or to answer incriminating questions.

Appendix B

Legal matters resulting from Crime Commission activities

Perjury

A 52 year old man has been charged with the offence of perjury as a result of evidence given by him at a QCC hearing held in November 1999 in the course of an organised crime investigation. The witness initially gave sworn evidence that he had engaged in certain financial transactions with a target of the investigation. However, in the course of a sustained examination, the witness admitted that his initial version had been untruthful and that no such transactions had occurred. The charge remains pending at this time.

An integral feature of QCC's hearings power is that witnesses may be required to take an oath or make an affirmation prior to giving their evidence, with the consequence that the giving of false evidence renders the person concerned liable to criminal prosecution for perjury. QCC regards the giving of false evidence at hearings as a serious matter due to its significant adverse impact upon the effectiveness and efficiency of QCC investigative processes. As a result, witnesses who commit perjury at QCC hearings will ordinarily be prosecuted.

Appeals

Under the *Crime Commission Act* a witness at a QCC hearing may claim a reasonable excuse for not answering a question or producing a document or thing he or she was required to produce by the terms of the relevant attendance notice. It is then a matter for the Presiding Member to determine whether or not the claim should be upheld. Under section 109 of the Act a witness may apply to the Supreme Court for leave to appeal the decision of the presiding member. No such applications were made during the reporting year.

Financial assistance for legal representation

All witnesses called to QCC hearings have a statutory right to be legally represented at the hearing. Furthermore, under section 118 of the Crime Commission Act persons who have been called to QCC hearings, or who wish to seek leave to appeal to the Supreme Court under section 109, may apply to the Attorney-General for financial assistance with respect to their legal representation. If the Attorney-General decides to grant financial assistance, the Attorney may decide the level of assistance and the conditions on which it is to be provided. The cost of any such assistance is borne by QCC.

There were seven applications to the Attorney-General for legal assistance by QCC witnesses during 1999–2000. In six instances, the Attorney-General approved the assistance of legal representation and financial assistance in accordance with the Legal Aid Schedule and is still considering the seventh application after requesting additional information.

Appendix C

Other reporting requirements

Overseas Travel

Overseas travel was undertaken by two QCC officers during the 1999–2000 year in order to develop law enforcement relations and establish networks with international law enforcement agencies as required by s. 28(1)(f) of the *Crime Commission Act 1997*.

The Crime Commissioner attended the National Strategic Intelligence Conference in March 2000 to gain first hand knowledge of current strategic intelligence trends and new methodologies. As well as receiving a body of relevant and current information, the Crime Commissioner was able to participate in session discussion with experts in the field and other conference attendees. The NSI conference provided a useful forum to liaise with representatives from other overseas intelligence agencies, and provide information to them about QCC and the prospects for future liaison and information exchange.

The Commissioner also attended liaison meetings with law enforcement agencies in Ireland, England and Hong Kong. These included the Criminal Assets Bureau in Dublin, Ireland; the Director-General of the National Crime Squad (London); the Director of Serious Fraud Office (London); and the Director-General of the National Criminal Intelligence Service (NCIS) (London). In Hong Kong, the Crime Commissioner met with the Independent Commission Against Corruption (ICAC) of the Royal Hong Kong Police Service.

The Commission's General-Counsel attended the 22nd International Asian Organised Crime Conference in San Francisco in April 2000 in order for the Commission to remain up to date with global and regional organised crime trends. The conference provided insight into current international law enforcement methodologies being employed to combat the involvement of Asian ethnic groups in a wide range of criminal activity including drug trafficking, money laundering, people smuggling, gang violence, insurance and Internet fraud and financial crime.

Expenditure for conference registration, airfares, accommodation, meals and allowances and sundry expenses for overseas travel were as follows:

National Strategic Intelligence Conference Crime Commissioner

19 March 2000 — 10 April 2000	\$19,456.03
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International Organised Crime Conference General Counsel

19 April 2000 – 6 May 2000	\$6,548.05
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Consultancies

During the financial year ending 30 June 2000, the Crime Commission did not engage or require the use of consultancies.

Freedom of information and whistleblower protection

The Commission did not receive any freedom of information requests during the 1998–99 year. Similarly there were no public interest disclosures to the Commission under the Whistleblowers Protection Act 1994 in the reporting period.

Management Committee costs

The Crime Commission expended a total of \$46,800 on supporting the Management Committee in 1999–2000. This expenditure comprised airfares, accommodation, and an annuity for each of the two community representatives on the Management Committee.

QUEENSLAND CRIME COMMISSION
OPERATING STATEMENT
for the year ended 30 June 2000

	<i>Note</i>	2000 \$'000	1999 \$'000
Operating Expenses			
Employee expenses	3	2,287	1,977
Supplies and services		853	846
Depreciation expense	4	273	263
Other expenses	5	459	14
Total Operating Expenses		<u>3,872</u>	<u>3,100</u>
Operating Revenues			
Reimburse Workers Compensation Recoveries		3	..
Interest Revenue	6	39	40
Gain on sale of Motor Vehicle		6	..
Total Operating Revenues		<u>48</u>	<u>40</u>
NET COST OF SERVICES	14	<u>3,824</u>	<u>3,060</u>
Revenue from Government			
Grant through the Department of Police		4,030	3,066
Total Revenue from Government		<u>4,030</u>	<u>3,066</u>
Increase (decrease) in Net Assets before abnormal items		206	6
Abnormal Item	7	..	22
Increase (decrease) in Net Assets after abnormal items	13	<u>206</u>	<u>28</u>

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

QUEENSLAND CRIME COMMISSION
STATEMENT OF FINANCIAL POSITION
for the year ended 30 June 2000

	<i>Note</i>	2000 \$'000	1999 \$'000
CURRENT ASSETS			
Cash	8	652	141
Other	9	37	33
Total Current Assets		<u>689</u>	<u>174</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	690	751
Total Non-Current Assets		<u>690</u>	<u>751</u>
TOTAL ASSETS		<u>1,379</u>	<u>925</u>
CURRENT LIABILITIES			
Creditors	11	341	106
Provisions (Employee Entitlements)	12	154	141
Total Current Liabilities		<u>495</u>	<u>247</u>
NON-CURRENT LIABILITIES			
Provisions (Employee Entitlements)	12	0	173
Total Non-Current Liabilities		<u>0</u>	<u>173</u>
TOTAL LIABILITIES		<u>495</u>	<u>420</u>
NET ASSETS		<u>884</u>	<u>505</u>
EQUITY			
Accumulated Surplus	13	884	505
TOTAL EQUITY		<u>884</u>	<u>505</u>

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

QUEENSLAND CRIME COMMISSION
STATEMENT OF CASHFLOWS
for the year ended 30 June 2000

	<i>Note</i>	2000 \$'000	1999 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Inflows:</i>			
Interest Income		39	40
Workers Compensation Recoveries		3	..
<i>Outflows:</i>			
Employee expenses		(2,020)	(1,940)
Supplies and services		(858)	(817)
GST		(3)	..
Other		(472)	(13)
Net cash used in operating activities	14	<u>(3,311)</u>	<u>(2,730)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Inflows:</i>			
Proceeds from Sale of Property		39	..
<i>Outflows:</i>			
Payments for property, plant and equipment		(247)	(218)
Net cash used in investing activities		<u>(208)</u>	<u>(218)</u>
CASH FLOWS			
<i>Inflows:</i>			
Grant through the Department of Police		4,030	3,066
Total Revenue provided		<u>4,030</u>	<u>3,066</u>
Net increase/(decrease) in cash held		<u>511</u>	<u>118</u>
Cash at beginning of financial year		<u>141</u>	<u>23</u>
Cash at end of financial year	8	<u>652</u>	<u>141</u>

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

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

1. Funding of the Commission

The Commission is funded through parliamentary appropriation via a grant from the Department of Police.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are general purpose financial statements and have been prepared in accordance with the *Financial Administration and Audit Act 1977*, the *Financial Management Standard 1997*, Australian Accounting Standards and Urgent Issues Group Abstracts.

The financial statements have been prepared in accordance with the historical cost convention except for certain non-current physical assets that are at deprival value.

The accrual basis of accounting has been adopted.

Transactions and balances relating to the Commission's expenses, revenues, assets and liabilities are set out in the Operating Statement and Statement of Financial Position.

(b) The Reporting Entity

The financial statements include all assets, liabilities, revenues, expenses and equities of the Queensland Crime Commission. The Commission has established companies as from 29 June 1999. These companies have conducted minimal financial transactions during the year ending 30 June 2000.

(c) Appropriations and Grants

The Commission is funded through a grant from the Department of Police that is appropriated by Parliament. Grants are recognised as revenues when the Commission obtains control over the relevant assets. The Commission has full discretion in the use of the funds in achieving its objectives.

(d) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank that is used in the day-to-day cash management function of the Commission.

(e) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets owned by the Commission. Cost is determined as the fair value given as consideration plus costs incidental to the acquisition and all other costs incurred in preparing the assets ready for use.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

(f) Property, Plant and Equipment

All items of property, plant and equipment with a cost, or other value, of \$1,000 or greater, are capitalised in the year of acquisition. All other items with a cost, or other value, less than \$1,000 are expensed.

(g) Depreciation of Property, Plant and Equipment

Depreciation of plant and equipment is calculated on a straight line basis so as to write off the cost or other value of each depreciable asset, less its estimated residual value, progressively over its estimated useful life.

Class of Asset	Depreciation
Computer Equipment (Hardware/Software)	33.33%
Network Computer Equipment (Hardware/Software)	20.00%
Office Equipment – Furniture and Workstations *	33.33%
Office Equipment - Photocopier	20.00%
Office Equipment (Facsimile, Shredders, E/Whiteboards)	10.00%
Office Equipment - Safes	2.50%
Leasehold Improvements	2.00%
Radio Equipment (Alarm Systems, Recording equipment)	33.33%
Motor Vehicles	67.00%
Photographic Equipment (Audio visual)	14.30%

* Second hand furniture and workstations.

(h) Revaluations of Non-Current Physical Assets

In December 1999, the Australian Accounting Standards Board issued two new accounting standards, - AAS38 – Revaluation of Non-Current Assets and AAS10 – Recoverable Amount of Non-Current Assets. These standards introduce the concept of valuing non-current assets at “fair value”. At present, the Commission’s non-current physical assets are valued in accordance with the deprival value methodology prescribed by the Financial Management Standard. Due to the uncertainty within the accounting profession of the impact of applying a valuation based on fair value in lieu of the deprival value methodology currently prescribed, it is not possible at present to determine the consequential impact of the application of these standards (when prescribed) on asset values as reported in these financial statements.

(i) Employee Entitlements

Wages, Salaries and Annual Leave

Liabilities for wages, salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees’ services up to that date, and include related on-costs.

Long Service Leave

In 1999-2000, a new long service leave scheme became operative whereby a levy is made on the agency to cover this expense and amounts paid to employees for long service leave are claimed from the scheme as a reimbursement. The balance of the provision for long service leave that existed as 30 June 1999 has been adjusted against general equity as at commencement of the current reporting period.

Superannuation

The superannuation expense for the financial year is determined by the Queensland State Actuary. No liability is shown for superannuation in the Statement of Financial Position, as the liability is held by the Queensland Government.

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

(j) Taxation

The Commission's activities are exempt from all forms of Commonwealth taxation except Fringe Benefits Tax and Goods and Services Tax (GST). Even though the GST does not commence until 1 July 2000, some transactions that span the current and next financial years will be subject to GST. As such, input tax credits receivable and GST payable from/to the Australian Tax Office will be recognised and accrued in this financial year.

(k) Resources Received Free of Charge or for Nominal Value

Resources received free of charge or for nominal value that can be reliably measured are recognised as revenues and assets as appropriate.

(l) Insurance

In accordance with Government policy, assets are not insured, and losses are expensed as they are incurred. This includes any losses on the outcome of pending litigation.

(m) Rounding

Amounts included in the financial statements have been rounded to the nearest \$1,000, or where that amount is \$499 or less, to zero.

	2000	1999
	\$'000	\$'000
3. Employee Expenses		
Wages, salaries, annual leave and long service leave	1,890	1,660
Superannuation and pension payments	228	177
Long service leave levy	28	..
Other related expenses	141	140
	<u>2,287</u>	<u>1,977</u>
4. Depreciation Expense		
Depreciation incurred in respect of:		
Office Equipment	60	59
Motor Vehicles	* 18	35
Computer Equipment	140	123
Radio Equipment	55	46
	<u>273</u>	<u>263</u>

* Depreciation expense on Motor Vehicles is reflecting a decrease and this is due to an adjustment to correct the opening balance of Accumulated depreciation on Motor vehicles.

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

5. Other Expenses

Rental of Premises	439	..
External audit Fees	10	6
Lease – Operating	10	8
	<u>459</u>	<u>14</u>

6. Interest Revenue

Interest Income	39	40
	<u>39</u>	<u>40</u>

7. Abnormal Item

Assets not previously recognised	..	22
	<u>..</u>	<u>22</u>

8. Cash

<i>Current</i>		
Cash on hand	1	1
Cash at bank	651	140
	<u>652</u>	<u>141</u>

9. Other Assets

<i>Current</i>		
GST Input Tax Credits	3	..
Prepayments	34	33
	<u>37</u>	<u>33</u>

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

10. Property, Plant and Equipment

Non-Current;

Office Equipment		
- At Cost	232	227
- Accumulated Depreciation	(123)	(64)
Written Down Value	109	163
Motor Vehicles		
- At Cost	266	156
- Accumulated Depreciation	(48)	(43)
Written Down Value	218	113
Computer Equipment		
- At Cost	525	482
- Accumulated Depreciation	(276)	(136)
Written Down Value	249	346
Radio Equipment		
- At Cost	186	178
- Accumulated Depreciation	(106)	(50)
Written Down Value	80	128
Other Plant and Equipment		
- At Cost	34	1
- Accumulated Depreciation	(.)	(.)
Written Down Value	34	1
Total Property, Plant and Equipment		
- At cost	1,243	1,044
- Accumulated depreciation	(553)	(293)
Total Property, Plant and Equipment - net book value	690	751

2000
\$'000

1999
\$'000

11. Creditors

Current

Trade creditors	95	96
Other creditors	246	10
	341	106

12. Provisions

Current

Recreation Leave	154	141
	154	141

Non-Current

Long Service Leave *	..	173
* Refer to Note 2 (i)	..	173

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

13. Changes in Equity

Balance at 1 July	505	477
Increase/(decrease) in net assets	206	28
General Equity Injection	173	..
Balance at 30 June	<u>884</u>	<u>505</u>

14. Reconciliation of Net Cost of Services to Net Cash Used in Operating Activities

4. Net cost of services	(3,824)	(3,060)
Non-cash items:		
Depreciation	273	263
Gain on sale of Motor Vehicle	(6)	..
Abnormal items	..	22
General Equity injection – LSL liability	173	..
Prior Year Adjustment	4	..
Change in assets and liabilities		
(Increase)/decrease in prepayments	(1)	(29)
Increase (decrease) in creditors	234	36
(Increase)/decrease in GST receivable	(3)	..
Increase (decrease) in employee provisions	(161)	38
Net cash used in operating activities	<u>(3,311)</u>	<u>(2,730)</u>

15. Contingency

(a) Litigation

There are no known material contingent liabilities arising from litigation, potential claims or the like outstanding against the Queensland Crime Commission as at 30 June 2000.

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

16. Financial Instruments

(a) Terms, Conditions and Accounting Policies

The Commission's accounting policies, including the terms and conditions of each class of financial liability, both recognised and unrecognised at the balance date, are as follows:

Financial Instrument Principal	Related Financial Statement Note	Accounting Policy	Terms and Conditions
Trade Creditors and Accruals	11	Recognition – upon receipt of goods or services received irrespective of whether an Invoice has been received.	As per invoice or within 30 days of months end of receipt of invoice.

(b) Interest Rate Risk Exposure

The Commission is exposed to interest rate risk through financial assets and financial liabilities. The following table summarises interest rate risk for the Commission, together with effective interest rates at balance date. All other assets and liabilities have no interest rate exposure.

2000 Financial Instrument	Floating Rate		1 year or Less		Non-Interest Bearing		TOTAL		Weighted Average Effective Interest Rate
	2000	\$'000	2000	\$'000	2000	\$'000	2000	\$'000	
Financial Assets									
Cash	651				1		652		4.75
Total Financial Assets	651				1		652		
Financial liabilities									
Trade Creditors And Accruals					327		327		
Total Financial Liabilities					327		327		

(i) Floating Interest rate represents the most recently administered market rate applicable to the instrument at 30 June.

QUEENSLAND CRIME COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

1999 Financial Instrument	Floating Rate	1 year or Less	Non-Interest Bearing	TOTAL	Weighted Average Effective Interest Rate
	1999 \$'000	1999 \$'000	1999 \$'000	1999 \$'000	1999 %
Financial Assets					
Cash	140		1	141	4.00
Total Financial Assets	140		1	141	
Financial liabilities					
Trade Creditors And Accruals			106	106	
Total Financial Liabilities			106	106	

(j) Floating Interest rate represents the most recently administered market rate applicable to the instrument at 30 June.

(c) Net Fair Values

The carrying amount of Cash, Trade Creditors and Accruals approximates fair value.

(d) Credit Risk Exposures

As the Commission does not envisage having accounts receivable, there would be minimum credit risk exposure.

CERTIFICATE OF THE QUEENSLAND CRIME COMMISSION

The foregoing Financial Statements have been prepared pursuant to the provisions of the *Financial Administration and Audit Act 1977*. We certify that :

the foregoing financial statements and notes to and forming part thereof are in agreement with the accounts and records of the Queensland Crime Commission; and

in our opinion -

- (a) the prescribed requirements for the establishment and keeping of accounts have been complied with in all material respects; and
- (b) the foregoing statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Crime Commission for the financial year ended 30 June 2000 and of the financial position as at the end of that year.

IAN BRUCE THOMAS
Manager, Operational Support
16 October 2000

TIMOTHY FRANCIS CARMODY SC
Crime Commissioner
16 October 2000

INDEPENDENT AUDIT REPORT

To: The Commissioner, Queensland Crime Commission

Scope

I have audited the general purpose financial statements of the Queensland Crime Commission for the year ended 30 June 2000 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise the Operating Statement, Statement of Financial Position, Statement of Cash Flows and notes to and forming part of the financial statements and certificates given by the Commissioner and person responsible for financial administration.

The Queensland Crime Commission is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an opinion on them.

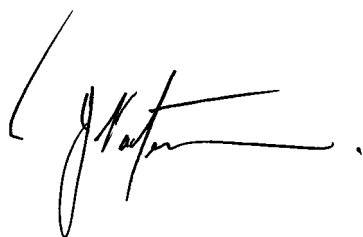
The audit has been conducted in accordance with *QAO Auditing Standards*, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the entity's financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In accordance with section 46G of the *Financial Administration and Audit Act 1977*, I certify that I have received all the information and explanations I have required and, in my opinion -

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view in accordance with the prescribed accounting standards and other prescribed requirements of the transactions of the Queensland Crime Commission for the financial year ended 30 June 2000 and of the financial position as at the end of that year.



J E HARTEN
Acting Assistant Auditor-General
As Delegate of the Auditor-General of Queensland

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Brisbane

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