



Crime and Corruption Commission
QUEENSLAND

Annual Report

2018–19

An independent agency combating major
crime and reducing corruption for the
benefit of the Queensland community.

Our vision, purpose and values

Our vision

Safe communities supported by fair and ethical public institutions with an agency focus on those matters of highest threat to the Queensland community

Our purpose

The CCC is an independent agency combating major crime and reducing corruption for the benefit of the Queensland community



Our values

Our values underpin everything we do at the CCC



People

We value, respect and collaborate with each other
We develop ourselves and those around us
We act in the interests of the Queensland community



Integrity

We are honest and transparent
We act with impartiality
We keep our commitments



Excellence

We deliver consistent high performance
We treat our mistakes as opportunities
We implement ideas that create value



Accountability

We own our actions and decisions
We are responsible with the resources we are given
We are responsive to our stakeholders



Courage

We question the status quo
We embrace change
We stand up for what is right



Key facts and figures



341 Full time staff



\$62M Annual budget

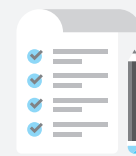
Operational outcomes



36
people charged
with 126 criminal offences
relating to **crime investigations**



208
days of hearings
relating to **crime investigations**



17
recommendations for disciplinary
action were made from our corruption
investigations relating to 10 people



23
people charged
with 192 criminal offences
relating to **corruption investigations**



36
days of hearings
relating to **corruption investigations**



5 **corruption audit reports**
published



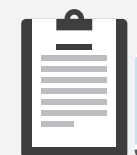
3381
complaints of suspected
corruption assessed



\$28.249M
proceeds of crime
restrained



\$13.652M
proceeds of crime
forfeited to the state



82 **prevention**
recommendations

30 August 2019

The Honourable Yvette D'Ath MP
Attorney-General and Minister for Justice
and Leader of the House
1 William Street Brisbane Qld 4000

Dear Attorney

I am pleased to submit for presentation to the Parliament the Annual Report 2018–19 and financial statements for the Crime and Corruption Commission (CCC).

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be accessed at page 117 of this annual report.

Yours sincerely



A J MacSporran QC
Chairperson
Crime and Corruption Commission

About our annual report

This report assesses our agency's performance against our *2018–22 Strategic Plan*. As part of our commitment to transparent and accountable reporting, we have endeavoured to strike a balance between informing the public and protecting confidential information that could compromise a person or an ongoing investigation.

For that reason, it is not possible to include detailed reports on the CCC's witness protection program.

This annual report is available on the CCC website at www.ccc.qld.gov.au/annualreport or in hard copy on request. Our website also includes information about government bodies relevant to the CCC.

Additional information on consultancies, overseas travel and interpreter services (in accordance with the Queensland Language Services Policy) is published through the Queensland Government Open Data website, www.data.qld.gov.au.


Acknowledgement of Country

The Crime and Corruption Commission acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and recognises their culture, history, diversity and their deep connection to the land, waters and seas of Queensland and the Torres Strait. We acknowledge the traditional custodians of the lands on which we operate and wish to pay our respects to their Elders past and present.


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Interpreter service

 The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact the CCC on either **07 3360 6060** or **toll-free 1800 061 611** and we will arrange for an interpreter to effectively communicate the report to you.

Feedback

 We welcome your comments on this report. See the back cover for contact details on where to address your feedback.





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Who we are

The origins of the Crime and Corruption Commission (CCC) date back to July 1989 when Mr Tony Fitzgerald QC presented the Queensland Government with the findings of the *Commission of Inquiry into Possible Illegal Activities and Associated Police Misconduct* (known as the Fitzgerald Inquiry Report).

The Fitzgerald Inquiry recommended the Queensland Parliament establish an independent agency to fight organised crime and corruption to help restore confidence in our public institutions, and to be responsible for Queensland's witness protection program. Since that time, the presence of an independent Commission dedicated to fighting organised crime and corruption has been a constant in Queensland public life. Although there have been a number of iterations of the Commission since 1989, the core work of the Commission has essentially remained the same.

Today's CCC investigates major crime and corruption, has oversight of both the police and the public sector, recovers the proceeds of crime and protects witnesses.

Our work includes:

- investigating organised crime, paedophilia, terrorist activity and other serious crime
- receiving, assessing and investigating allegations of corruption
- developing strategies to prevent crime and corruption
- conducting research and undertaking intelligence activities on crime, corruption, policing and other relevant matters.

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

This legislation includes:

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

Our organisational structure



Note: This organisational chart reflects the CCC's transition to a new, simplified structure which will be finalised by October 2019. A detailed breakdown of staff by division is provided on page 67.

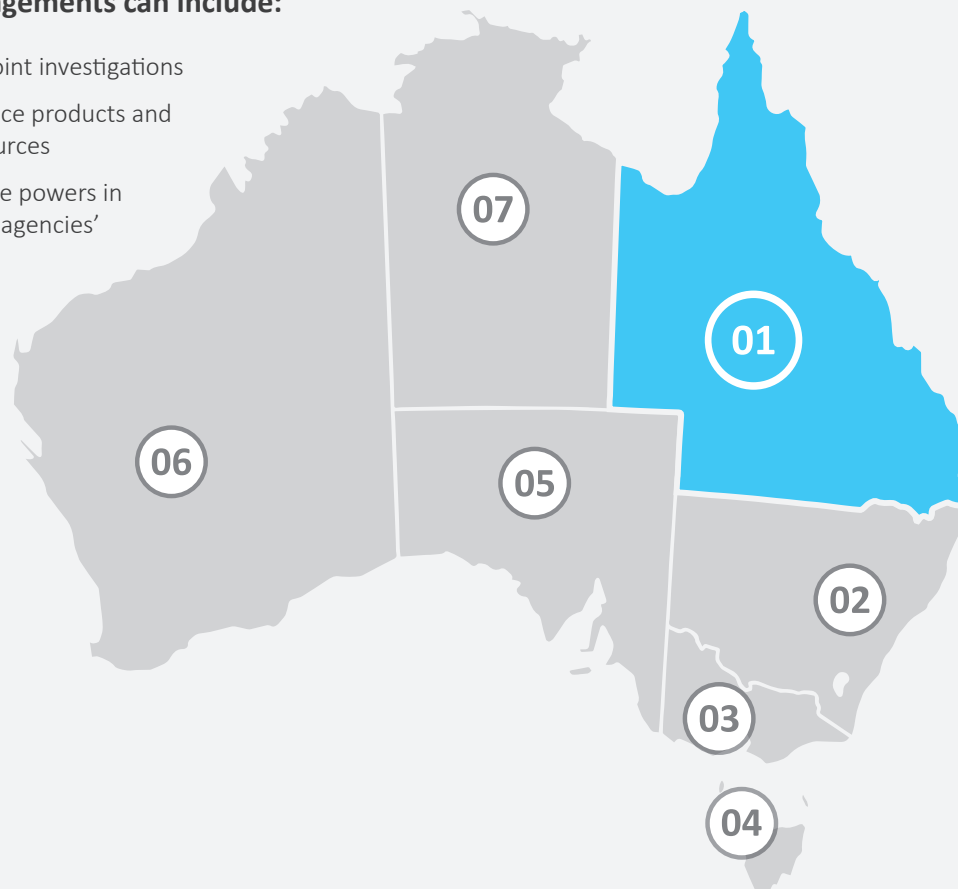


Our stakeholders and partners

In combating major crime and corruption, the CCC works closely with state, national and international law enforcement and anti-corruption agencies.

Partnership arrangements can include:

- participating in joint investigations
- sharing intelligence products and operational resources
- using our coercive powers in support of other agencies' investigations.



Commonwealth Agencies

- Australian Commission for Law Enforcement Integrity
- Australian Criminal Intelligence Commission
- Australian Federal Police

01

Queensland

- Queensland public
- Attorney-General and Minister for Justice
- Parliamentary Crime and Corruption Committee
- Parliamentary Crime and Corruption Commissioner
- Queensland units of public administration
- Office of the Director of Public Prosecutions
- Office of the Independent Assessor
- Queensland Police Service

02

New South Wales

- Independent Commission Against Corruption
- Law Enforcement Conduct Commission
- New South Wales Crime Commission

03

Victoria

Independent Broad-based Anti-corruption Commission

04

Tasmania

Integrity Commission

05

South Australia

- Independent Commissioner Against Corruption
- Office for Public Integrity

06

Western Australia

Corruption and Crime Commission

07

Northern Territory

Independent Commissioner Against Corruption

Message from the Chairperson



It gives me great pleasure to present the CCC's annual report. This report outlines our progress against the objectives in the CCC Strategic Plan 2018–22 and includes outcomes against our specific areas of focus for 2018–19.

Significantly, this year marks the 30th anniversary of a defining event in Queensland's social and political history. In July 1989 Mr Tony Fitzgerald QC presented the Queensland Government with the findings of his landmark inquiry into corruption and organised crime. The Inquiry changed the policing and political landscape in Queensland and across Australia.

The CCC today

Thirty years on from the Fitzgerald Inquiry, the CCC faces new challenges due to advancements in technology, and the significant corruption risks associated with public sector employees being able to access and potentially misuse vast amounts of confidential information.

Australia's law enforcement model is also undergoing substantial and rapid transformation. This year, the CCC reviewed its major crime strategy with a focus on how it can complement the efforts of the Queensland Police Service (QPS) and other law enforcement partners, given the increasingly complex, borderless and technology-enabled crime environment.

The review reinforced that our unique examination and civil confiscation powers, when used in collaboration with our law enforcement partners, are the proper focus of the strategy and activities that ensure the CCC does not duplicate other law enforcement efforts and contributes measurable value to the challenge of reducing major crime in Queensland.

Fighting major crime

We have achieved some excellent operational results in our crime jurisdiction this year. As you will note in this report, the CCC's coercive hearings powers have been used to advance a number of complex and unresolved crime investigations including those related to organised crime, homicides and criminal paedophilia.

We've also continued to see results from our investigation into the alleged activities of a Brisbane-based law firm (Operation Stockade). To date this investigation has resulted in the arrest of a number of people on charges including fraud and money-laundering related offences.

Recovering the proceeds of crime

In 2018–19 the CCC assessed 122 opportunities to undertake proceeds of crime recovery action. These assessments were either initiated by the CCC or referred to the CCC by the QPS. In the same period, the CCC successfully restrained assets to the value of \$28.249 million and forfeited \$13.652 million in assets to the State.

These results highlight that when law enforcement agencies work together and use all the tools available, criminals not only face the prospect of serious criminal charges and custodial sentences, they can often end up with no financial benefit and a debt to the State of Queensland.

Changes to our governing legislation

In March 2019 the CCC welcomed amendments to its governing legislation, the *Crime and Corruption Act 2001*. Key changes were the removal of the benefit or detriment component of the definition of corrupt conduct, the removal of example offences, and the introduction of a requirement for agencies to record the reasons why they have not referred matters to the CCC.

The new definition also recognises that people outside the public sector can exploit, adversely influence or corrupt public sector processes. The CCC can now investigate allegations made about members of the public, if their conduct impairs or could impair public confidence in public administration, leading to them being charged with criminal offences.



Exposing corruption in the local government sector

While I'm confident that the brazen corruption and police misconduct from pre-Fitzgerald days are gone, I am nevertheless mindful of the dynamic and changing environment in which the CCC operates. Our work over the last few years has demonstrated that the threat of corruption remains at all levels of government. Recent corruption investigations have exposed a number of significant and systemic corruption risks in the local government sector.

Operation Front this year has resulted in the former Mayor and seven serving councillors of Logan City Council being charged with 14 serious criminal offences relating to corrupt conduct. It is the first time in our agency's 30-year history that eight elected officials from the same unit of public administration have been charged.

While we await court outcomes from Operation Front, we have already seen a number of convictions arising from our investigation into Ipswich City Council. This investigation found evidence of significant failures in governance, including consistent breaches of policy and official corruption.

As at 30 June 2019, sixteen people including two Mayors, two Chief Executive Officers, a Chief Operating Officer and council employees have been charged with a total of 91 criminal offences.

In July 2019 former Mayor Paul Pisasale was sentenced to two years imprisonment after being found guilty of extortion. A number of other people have also been convicted and received penalties ranging from six months to 4.5 years imprisonment.

Working with our partners to prevent corruption

Last year I reported on the progress of our investigation into corruption and corruption risks in Queensland's correctional services facilities (Taskforce Flaxton). Cooperation with Queensland Corrective Services (QCS), Queensland Health, unions, and academic and policy experts enabled a thorough and productive examination of the issues. Following a series of public hearings, in December we tabled our public report, *Taskforce Flaxton: an examination of corruption risks and corruption in Queensland prisons*, in State Parliament. All 33 of the recommendations we made have been supported (or supported in-principle) by the Government.

Police discipline reform

While changes to the legislative framework remain ongoing, I am pleased by the progress of the new police discipline system which has been trialled since July last year. I am confident that once implemented, the system will result in the more timely resolution of complaints, and greater consistency and fairness across investigations.

Looking ahead

In the year ahead we will continue our operational focus on those crime and corruption threats of greatest impact and harm to the Queensland community. To support our strategies for reducing the incidence of major crime and corruption in Queensland, we will focus on programs to build our hearings, intelligence and financial investigation capabilities.

We'll also place a greater emphasis on engagement and working in partnership with others to inform, educate and empower our stakeholders. This will include a public hearing to support our corruption prevention efforts, the publication of advisories and information on our website, and delivery of our Reconciliation Action Plan.

Lastly, I am confident that the commitment and capability of our staff will continue to ensure our success in fighting crime and public sector corruption. I sincerely thank them for their ongoing dedication and hard work.

Alan MacSporran QC
Chairperson

Message from the CEO



This year has been a period of transformation for the CCC. We have made substantial progress improving how we work together as a unified organisation ready for the future, especially through our investment in staff development and enhancements to our corporate systems and processes.

Designing the organisation for the future

Last year we reported the CCC had implemented a new operating model and operational framework to modernise its operations. While a number of transformative initiatives were launched over that period, we recognised that further work was needed to better position the CCC to achieve its operating and strategic objectives.

In the last twelve months we have focused on identifying the capabilities for improved service delivery, and reorganising the CCC's structure to align with our operating model. While we've identified 38 capabilities, 10 of these are critical. These include workforce planning, innovation, analytics, strategic planning and stakeholder engagement.

In April this year we commenced our transition to a simplified, service-led organisational structure. The revised structure includes five divisions: Crime, Corruption, Operations Support, Corporate Services, and Strategy, Innovation and Insights. The structure also supports stronger governance and strategic resource allocation. It's anticipated that full implementation of the new structure will be complete by October 2019.

The newly established division of Strategy, Innovation and Insights is led by Ms Carolyn Bradley who we welcomed to the CCC late last year. Carolyn and her team have been tasked with facilitating the delivery of our organisation's strategic and transformative capabilities.

Focusing on our people

In the past year the CCC has significantly invested in developing our staff. We've invested over \$550,000 in order to develop capability in critical areas. This represents an increase of 63 per cent and 22 per cent in expenditure over the past two years (2017–18 and 2016–17 respectively).

Specifically, this year's focus has been on targeted leadership programs (Great Managers Program and Future Leaders Program), workforce mobility, mentoring, and talent management. Over the past 12 months, several staff have attained practitioner certification in Prince2 Agile® project management, and Government Investigations (Certificate IV). The 1CCC Mentoring program—another initiative to promote career development opportunities and mobility—attracted 33 mentors and mentees from across the CCC.

I was encouraged by the CCC's 2018 Working for Queensland survey results,

where 60 per cent of staff responded that they were satisfied with the learning and development opportunities provided to them. This reflects an 8 per cent increase from our 2017–18 result, and is 3 per cent higher when compared with the broader Queensland public sector.

Addressing increased demand

In 2018–19 the CCC received additional funding to engage additional frontline staff to address an increasing demand on the CCC's investigative function, particularly in relation to corruption.

I am pleased to report that, while our recent investigations into corrupt conduct have been protracted and complex in nature, we have improved our timeliness in finalising these investigations following a boost in the number of investigative staff. In 2018–19, 80 per cent of corruption investigations were finalised within 12 months, compared to 63 per cent in the previous year. Furthermore, 65 corruption investigations were finalised in 2018–19, an increase from 56 in the previous year.

A key factor contributing to this improved outcome has been the relocation of CCC seconded police officers to frontline



corruption investigation roles. This was essential given the increase in investigations into corruption in the local government sector.

Broader changes to the CCC team responsible for assessing complaints and reviewing investigations referred to units of public administration, has resulted in improved timeliness in assessing complaints. In 2018–19, 76 per cent of matters were assessed within four weeks, compared with 39 per cent in the previous year. Furthermore, 325 final reviews of investigations were conducted, compared with 210 in the previous year.

Modernising our systems

In order to remain financially sustainable in the long term, the CCC has invested in a multi-year Digital Workplace Program (DWP). This supports our intention to reduce the total cost of ownership of infrastructure and move to an as-a-service model for our operations and systems. The DWP will significantly enhance our intelligence analysis, the processing of digital evidence, and provide for a secure and contemporary cloud-based platform.

Other efforts to support a digital workplace include the implementation of a new security framework, improved forensic computing technology, a new case management system, and the implementation of a “Cloud” computing strategy focused on back-up and disaster recovery.

Although scheduled for deployment in July 2019, the release of our integrated case management system has been delayed due to scope and contract changes. We are committed to implementing a quality system that is fit-for-purpose, and delivered within budget in the first half of 2020.

We are also about to implement a new governance, risk and compliance system that will support stronger corporate governance and strategic performance. This and other initiatives are designed to improve our capacity to ensure compliance, transparency and accountability.

Our staff

The year has been a challenging one with a lot of significant change projects including the new organisation design to implement. The entire CCC leadership team recognise that our staff have played an integral part in testing the organisation’s new structure and being part of the transition process. We are extremely proud of their hard work and their willingness to stretch themselves to work through challenging new projects while also supporting each other. On behalf of the leadership team I thank our staff for their continued focus and commitment to achieving our purpose of combating major crime and reducing corruption for the benefit of the Queensland community.

Jen O’Farrell

Chief Executive Officer

Our strategic objectives

The *CCC Strategic Plan 2018–22* provides the foundation for this annual report as we track our progress against our two strategic objectives, and areas of focus for 2018–19.

Objective

Reduce the incidence of major crime and corruption

Our strategies:

- Pursue areas of high threat through research, intelligence, hearings and investigations
- Pursue recovery of proceeds of crime for the benefit of Queenslanders
- Raise awareness of emerging crime and corruption issues
- Provide independent advice to government in order to inform public policy.

Objective

Build our organisational capability

Our strategies:

- Implement the CCC people and culture strategy which has been designed to foster an inclusive culture that promotes employee wellbeing, collaboration, innovation, and engagement
- Ensure system performance and continuity of information technology services while enhancing and executing plans to modernise our systems.

Measures of success

We evaluate our performance against the following measures:

- Public confidence in the performance and value of the CCC
- Quality, consistent and timely investigations
- Improved stakeholder engagement
- Effective governance of our projects and programs
- Improved staff capability and engagement



A snapshot of our performance is provided on page 14.



Areas of focus

Illicit markets

Target participants in criminal organisations that are active in illicit markets of highest threat to Queensland communities

Organised crime threats and unresolved major crime

Respond to the most serious organised crime threats and advance investigations into unresolved major crime

Investigations into corruption

Pursue corruption involving elected officials, excessive use of force and misuse of confidential information

Police discipline

Collaborate with key stakeholders to implement and monitor a program of reform of the police complaints and discipline system

Improve organisational performance

Continue to improve organisational performance through the development of our data analytics capability, the implementation of an integrated case management system, and by focusing on our workforce through targeted leadership development programs, workforce mobility, mentoring and talent management

Detailed information on our outcomes against each area of focus is provided on pages 21 to 60.

How we plan

The CCC's strategic plan sets the strategic direction of our agency and guides our day-to-day operations. We review our strategic plan annually to ensure we remain responsive to emerging issues and challenges.

As part of this process, we develop

one-year focus areas for us to prioritise our efforts in the coming year.

From our strategic plan, we develop an annual operational plan that identifies the high-level, agency-wide activities to be undertaken during the year to progress our strategic areas of focus and help us achieve our strategic objectives.

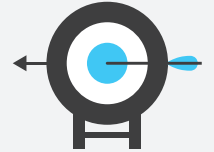
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Above: CCC staff in a planning session and our Strategic Plan for 2018–22

2018–19 at a glance

Objective: Reduce the incidence of major crime and corruption



Public confidence in the performance and value of the CCC and improved stakeholder engagement

- Made 33 recommendations in our report *Taskforce Flaxton: An examination of corruption risks and corruption in Queensland prisons*
- Tabled *Culture and corruption risks in local government: lessons from an investigation into Ipswich City Council (Operation Windage)*
- Finalised *Review of Terrorism (Preventative Detention) Act 2005*
- Launched our first Reconciliation Action Plan
- Visited six Indigenous communities to build relationships with Queenslanders in regional areas
- Co-presented at QPS Senior Officer Professional Practice forums on the new police discipline system and corruption prevention
- Launched new CCC Connect eNewsletter
- Developed a Stakeholder Engagement Strategy
- Commenced design of a new website
- Issued a joint communique with heads of all Australian anti-corruption agencies on International Anti-Corruption Day
- Published six corruption *Prevention in focus* papers
- Published *Corruption in Queensland: perceptions and prevention*
- 433,793 total page views of the CCC website



Quality, consistent and timely investigations

- Finalised 37 crime and intelligence investigations
- Held 208 crime and intelligence hearings, with 220 witnesses examined
- 271 witnesses attended our crime, intelligence and corruption hearings
- Undertook significant investigations into local government sector – Operation Windage and Operation Front (see pages 36 and 37)
- Finalised 65 corruption investigations
- Disseminated 157 intelligence reports to external law enforcement agencies
- 76 per cent of corruption complaints assessed within four weeks
- Charged 13 people with 28 offences related to corrupt conduct by elected officials; made nine prevention recommendations
- Charged three people with 88 offences relating to misuse of confidential information; made 29 prevention recommendations

Other measures of timeliness are included with our Service delivery standards on page 16.



Objective: Build our organisational capability



Improved staff capability and engagement

- Identified critical capabilities for current and future service delivery
- Invested \$555,558 in developing staff capability
- Developed 1CCC Leadership Capability Roadmap
- Developed People Growth Strategy
- 12 staff participated in the Great Managers Program
- 35 staff participated in the Future Leaders program
- Trained 19 staff in Prince2 Agile® project management
- 33 staff participated in 1CCC mentoring program
- 18 staff undertook Certificate IV in Government Investigations
- Provided 27 staff with assistance for tertiary education
- Launched first phase of ongoing workforce mobility initiative
- Values Playbook launched by the CCC's Values and Culture Group
- 299 (80 per cent) of staff completed the Working for Queensland Employee Opinion Survey
- Held staff forums and workshops as part of our Wellbeing Program
- Recognised staff performance at the annual PAICE corporate awards ceremony
- Celebrated National Reconciliation Week and NAIDOC Week
- Continued to support community events including the 2019 Queensland Legal Walk



Effective governance of our projects and programs

- Commenced the transition to a simplified, service-led structure, in line with the 1CCC operating model
- Launched the Digital Workplace Program
- Implemented new forensic computing technology
- Progressed development of a new case management system
- Developed a new Governance, Risk and Compliance system
- Developed a new Information Security Management Framework
- Implemented Convergta, an accounts payable software package
- Outsourced our mail screening to Decipher
- Completed our Infrastructure Replacement Program

Performance information

Service delivery standards

The following information is used by the CCC and the government to assess the overall performance of our service delivery as published in the State Budget Service Delivery Statements (2018–19). This supports our overarching objective to protect Queenslanders from major crime and corruption. Where comparative data is available, five-year trends are provided below.

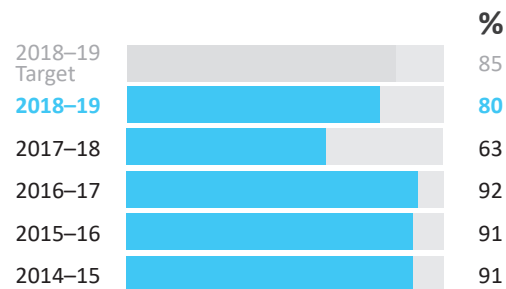
Service: Crime Fighting and Anti-Corruption

● Target ● Actual

Percentage of targeted criminal entities which are disrupted as a result of CCC crime investigations



Percentage of investigated matters finalised within 12 months¹



Percentage of corruption investigations resulting in significant outcomes^{2,3}



Average cost per referred crime investigation²



Percentage of referred crime investigations finalised within six months^{2,4}



Average cost per complaint assessment²



Notes:

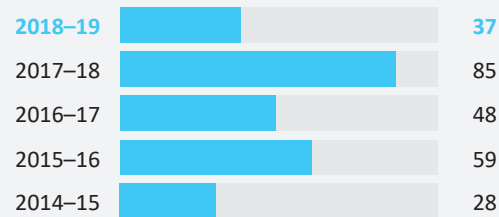
- 2018–19 target not met. In 2018–19, 52 out of 65 investigation matters were finalised within 12 months. The target was impacted by a number of complex matters primarily from local government and public service departments.
- New measure introduced in 2018–19.
- The 2018–19 result is higher than the estimated actual published in the 2019–20 Service Delivery Statement due to a high number of matters being finalised at the end of the financial year.
- 2018–19 target not met. Twenty-two out of 30 referred crime investigations were finalised within six months. The remaining eight matters related to protracted crime investigations into homicides, a shooting, fraud and drug trafficking.



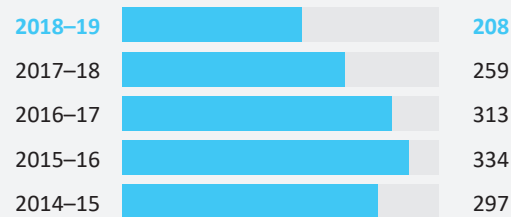
Other operational outcomes

Aspects of our work involve referrals from external agencies, primarily the QPS (crime investigations, hearings, proceeds of crime recovery) and units of public administration (allegations of corruption). As it's important to remain responsive to our external stakeholders, we do not develop annual targets for all of our performance indicators. Instead we maintain a flexible resourcing model in order to focus our effort on areas of highest need. Provided below is five-year comparative data for our operational work.

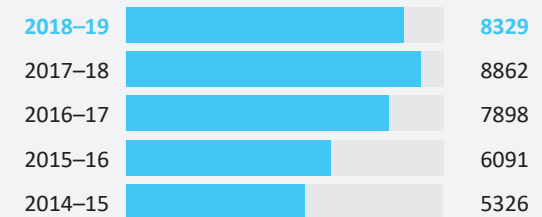
Crime investigations finalised



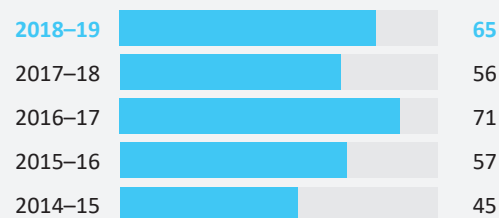
Crime hearing days



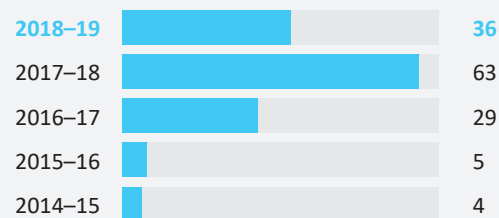
Corruption allegations received



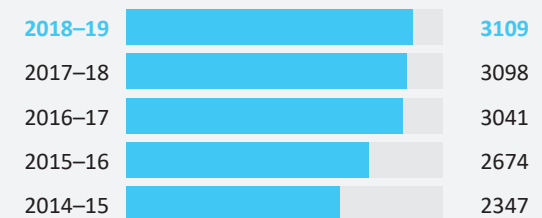
Corruption investigations finalised



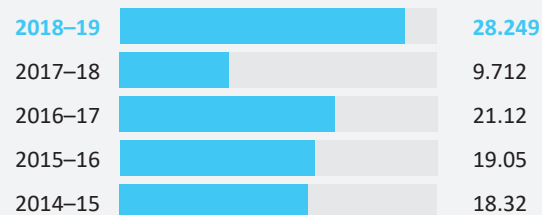
Corruption hearing days



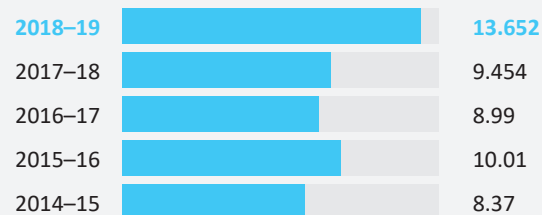
Corruption complaints received



Value of assets restrained (\$ million)



Value of assets forfeited (\$ million)



Financial summary

This financial summary provides an overview of the CCC's financial performance for the 2018–19 financial year.

A detailed view of the CCC's financial performance is provided in the financial statements (see page 79).

Overview

The CCC had a net operating surplus of \$216,000 in 2018–19. This surplus is mainly due to timing adjustments in expenditure incurred in the development of the new Case Management System (CMS) and the Digital Workplace Program (DWP), and the extended time taken to fill positions that were funded by government in 2018–19.

Revenue

Total revenue for 2018–19 was \$59.331 million, increasing by 3.86 per cent or \$2.203 million from 2017–18. The increase in revenue is primarily due to funding from government for additional frontline staff and the DWP.

The State Government grant funds forms 96.99 per cent of the CCC's total revenue. This revenue is supplemented by interest earnings on cash reserves and other general revenue receipts including staff car parking income and gains on sale of plant and equipment. The CCC also receives non-cash contributions for services from the QPS in relation to provision of police operational support and from the Department of Housing and Public Works in relation to archival services.

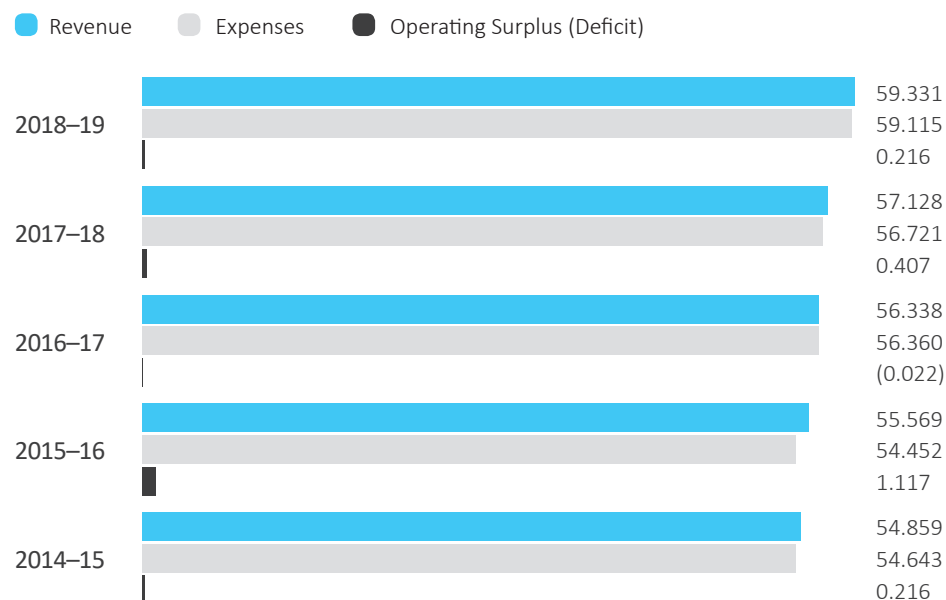
In accordance with government policy, the CCC recognises these services both as revenue and expenditure only if the services would have been purchased, had they not been donated, and if their fair value can be measured reliably.

Additional funding

During 2018–19 the CCC received additional funding for enterprise bargaining (EB) increases, to develop a new CMS, to continue crime hearings, to recruit additional frontline staff, and to significantly enhance the processing of digital evidence and intelligence analysis and provide for a contemporary information security platform. The Government has committed the following additional funding for the 2019–20 financial year:

- \$3.6 million (\$3.9 million per annum ongoing from 2021–22) to enhance the processing of digital evidence and intelligence analysis and provide for a contemporary information security platform (DWP)
- \$1.8 million (\$1.9 million per annum ongoing from 2021–22) for additional frontline staff
- \$1 million per annum ongoing to maintain a team to work in the proceeds of crime schemes
- \$0.8 million to continue the development of a new CMS and
- \$0.9 million per annum until 2019–20 to fund the criminal intelligence hearings team.

Figure 1. Financial results 2014–15 to 2018–19 (\$ million)



Expenditure

Total expenditure for 2018–19 was \$59.115 million, an increase of 4.22 per cent or \$2.394 million from the 2017–18 financial year.

This is mainly due to employee expenditure that increased by 4.58 per cent or \$1.849 million over the previous year. The CCC spent \$13.494 million for supplies and services expenditure in 2018–19, compared to \$13.264 million in 2017–18. This is an increase of 1.74 per cent or \$0.230 million from the previous year, and is mainly due to higher furniture and equipment (non-asset) expenditure incurred as part of an upgrade to existing facilities at Green Square and continued enhancements to the CCC's offsite office premises.

Payments for office accommodation are the highest category of supplies and services expenditure at \$4.220 million or 31.27 per cent of total supplies and services expenditure.

Consultants and contractors for various services are the second highest category of expenditure at \$2.271 million or 16.83 per cent, followed by telecommunications and access costs at \$1.238 million or 9.17 per cent.

Software expenditure has decreased significantly in 2018–19 from previous years due to the CCC not renewing some current license agreements due to the DWP.

All other expenditure remained relatively consistent with the previous financial year.

Financial position

Capital Acquisitions

The CCC invested \$2.853 million on capital acquisitions during the financial year compared to \$3.601 million in 2017–18, mainly as part of the ongoing asset replacement and maintenance program in accordance with the CCC's Asset Strategic Plan.

Assets

As at 30 June 2019 CCC total assets were valued at \$24.190 million compared to \$27.445 million in 2017–18, a decrease of \$3.255 million from the previous year. The decrease is mainly due to a majority of current year capital acquisitions being internally funded and the CCC's entry into the Annual Leave Central Scheme (ALCS) during 2018–19. Both of these factors have resulted in a decrease in cash reserves held by the CCC.

Liabilities

As at 30 June 2019 the CCC's liabilities were valued at \$5.765 million compared to \$9.551 million in the previous year. This is a decrease of \$3.786 million or 39.63 per cent and relates mainly to the CCC joining the ALCS, a lower level of ICT capital spend close to balance date and a reduction in unearned revenue in 2018–19.

Net equity

As at 30 June 2019 the CCC's equity was valued at \$18.425 million. This is an increase of \$0.531 million or 2.96 per cent and is due to a \$0.315 million equity injection from Government to fund the development of a new CMS and the \$0.216 million operating surplus for 2018–19.

Current ratio

As at 30 June 2019 the CCC's current ratio is 2.83 (against a minimum benchmark of 1.0). Current ratio indicates the financial health of an entity – its ability to meet short-term debts.

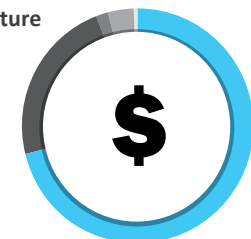
Figure 2.
Revenue and expenditure

Revenue



Category	Per cent
Grants	96.99%
Other contributions	1.88%
Interest revenue	0.82%
Other revenue	0.32%

Expenditure



Category	Per cent
Employee expenses	71.37%
Supplies and services	22.83%
Services received below fair value	1.88%
Depreciation and amortisation	3.53%
Other expenses	0.39%

Looking ahead

To support the delivery of our services and further our longer term strategic objectives we intend to deliver the following activities in 2019–20:

Reduce the incidence of major crime and corruption



Conduct a public hearing into the access and misuse of information



Develop a corruption prevention strategy



Develop a case categorisation and prioritisation model for crime matter case assessment



Develop a Crime stakeholder engagement strategy

Build our organisational capability



Deliver a new CCC website



Continue to implement our Digital Workplace Program



Implement our new Case Management System and Operations Manual



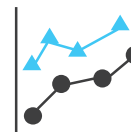
Deliver our Governance, Risk and Compliance system



Continue to implement our CCC Innovate Reconciliation Action Plan



Ensure the CCC's actions and decisions are compatible with the 23 human rights outlined in the *Human Rights Act 2019*



Develop insights and digital strategies



Develop a Workforce Strategy



Launch Phases 2 and 3 of our workforce mobility initiative





02 Reducing crime and corruption in Queensland

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Focus area | Illicit markets

Target participants in criminal organisations that are active in illicit markets of highest threat to Queensland communities

The CCC gives priority to investigating major crime that is most harmful to Queensland. This is why one area of focus for the CCC is Queensland's illicit markets, in particular those of highest value and highest community impact such as matters involving dangerous drugs, firearms or financial crimes, especially those that target the vulnerable.

A range of individuals and groups are involved in Queensland's illicit markets with varying levels of sophistication. Outlaw motorcycle gangs (OMCGs) continue to have a presence in these markets, however, they do not have a monopoly over them. Online marketplaces have broadened the demographic of people involved in Queensland's illicit markets and have provided additional avenues for the supply of illicit commodities, particularly into regional areas of the state.

Methylamphetamine remains the most pervasive illicit drug market due to the high levels of organised crime involvement and the significant harm its use causes individuals, families and communities, the burden on the public health system and continued pressure on law enforcement.

Crime investigations

During 2018–19 the CCC commenced seven major crime investigations focused on illicit markets, with nine investigations (some having commenced during the 2017–18 financial year) being concluded in the same period. As a result of those investigations, 28 people were charged with 107 offences including drug possession, supply and trafficking. Some of these charges were made with the assistance of the QPS.



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The CCC may investigate major crime once approval has been given by the CCC Crime Reference Committee by way of a referral or authorisation. Investigations undertaken by the CCC may be led by the CCC or by another law enforcement or intelligence agency with which the CCC works in partnership.


The CCC may also be authorised to undertake specific intelligence operations and other intelligence activities to assess and better understand the criminal activities in which criminal organisations and their participants may be involved.



Hearings

In 2018–19 the CCC held 37 days of hearings and examined 47 witnesses to support and advance investigations that concerned illicit markets. These included:

- An investigation of a criminal network engaged in the large-scale transportation of cannabis from Sydney to Brisbane. These hearings were successful in identifying the interstate source of the cannabis and a number of local trafficking syndicates receiving and trafficking it.
- A weapons trafficking investigation, in which hearings were successful in locating and recovering numerous illegal firearms.
- An investigation of a Brisbane-based network involved in trafficking significant quantities of MDMA (ecstasy) and cocaine sourced from a Sydney-based syndicate (also active in the Australian Capital Territory). These hearings were successful in obtaining evidence against the principals of the network and led to the seizure of a significant quantity of MDMA, as well as providing extensive insight into the operations and methods of the group.
- An investigation into a Brisbane-based group trafficking methylamphetamine, cocaine and MDMA in Fortitude Valley and the Sunshine Coast region, and money laundering. The hearings were successful in identifying a supplier and others involved in the supply network.



Operation Tabloid

In October 2018 the CCC finalised an investigation focused on the movement of illicit drugs from New South Wales into south-eastern Queensland, money laundering and associated offences by a group of Brisbane-based individuals involved in property development, hospitality and retail outlets.

Over the course of the investigation (including in the 2017–18 reporting period) eight people were charged with 32 offences, involving drug trafficking and supply. Cocaine with a street value of approximately \$200,000 was seized, along with smaller amounts of heroin, cannabis, amphetamines and MDMA (ecstasy), and \$9,200 in cash.

Focus area | Illicit markets

Significant investigation outcomes achieved in 2018–19

Given the nature of our work and the lengthy litigation process that follows a complex investigation, often the impact of what we do is not immediately realised.

Operation Amulet was a CCC investigation undertaken in 2015 into a network of persons based in south-east Queensland involved in the trafficking, production and supply of dangerous drugs, and money laundering. In March 2019, one offender received five years imprisonment after pleading guilty to a significant number of drug-related offences with which he was charged as a result of the investigation.

Operation Gloss was a 2013 CCC investigation focused on the Queensland-based activities of a criminal syndicate producing and trafficking crystal amphetamine (ice) in New South Wales and on the Gold Coast. On 31 July 2018 one offender was sentenced to nine years imprisonment for drug trafficking and related offences.

In October 2018 another two offenders were convicted of trafficking and multiple

counts of supplying drugs as well as other drug-related charges. One of those offenders was sentenced to 7.5 years imprisonment while the other received 5.5 years imprisonment.

In December 2018 a further two offenders were convicted of trafficking dangerous drugs and associated offences with one person being sentenced to three years imprisonment and the second offender receiving 18 months imprisonment.

Operation Altana was an investigation finalised in 2017 which targeted an organised crime syndicate involved in the production, supply and trafficking of crystal amphetamine (ice) and cocaine on the Gold Coast. In August 2018, one offender charged as a result of the investigation was sentenced to five years imprisonment for drug trafficking and related offences and received an additional 12 months imprisonment in relation to a fraud charge.

In June 2019 another offender was sentenced in the Brisbane Supreme Court for a total of 91 offences, including trafficking dangerous drugs, supplying a dangerous drug, possession of property obtained from a drug offence, and fraud. He was sentenced to 3.5 years imprisonment for the drug matters with an additional 12 months (cumulative) for the fraud.

Intelligence operations and activities

In 2018–19 the CCC finalised four specific intelligence operations focused on illicit markets. In the same period, the CCC also held 19 days of hearings and examined 14 witnesses to support and advance investigations of this kind.

One specific intelligence operation was an investigation into a network alleged to be involved in the trafficking, supply and possible production of dangerous drugs in south-east Queensland, and which had established a supply chain to central and northern areas of the state. This operation was successful in obtaining information that led to the commencement of a joint QPS/CCC organised crime operation that remains ongoing.

Another specific intelligence operation was undertaken into a criminal organisation operating in the Gold Coast region and alleged to be engaged in the importation, production and supply of the dangerous drug Gamma-hydroxybutyric (GHB), commonly known as Fantasy.

In 2018 there was a noticeable spike in Fantasy-related overdoses on the Gold Coast, two of which were fatal. Numerous

other persons were hospitalised as a result of their ingestion of this drug. The operation was undertaken to assist the QPS to understand the nature and extent of illegal activity by the criminal organisation, and to identify and disrupt relevant supply lines. Hearings undertaken to support the operation were successful in identifying a significant interstate importer of the dangerous drug. This information was disseminated to the New South Wales Police Force who were able to take immediate investigative action. A search warrant executed on the business of the importer located 21.2 litres of Fantasy and a quantity of cash.

The importer was subsequently charged with 15 offences, which included supplying a large commercial quantity of prohibited drugs and organising or conducting a drug premises to which a child was exposed.

Intelligence obtained during this operation identified the characteristics of the GHB drug market and this information and other intelligence was disseminated to other state and Commonwealth law enforcement agencies.



Assessment of illicit markets 2018–19

The CCC's strategic intelligence assessments aim to inform law enforcement about high threat illicit markets and emerging crime trends in Queensland. These assessments are used to prioritise high risk matters, aid efficient use of CCC and other law enforcement resources and highlight intelligence gaps that require further examination.

In 2018–19 the CCC completed an assessment of illicit markets in Queensland. The assessment highlighted the demand for methylamphetamine, MDMA, cocaine and GHB remains problematic, as well as the level of risk associated with the misuse of pharmaceuticals, particularly opioid pharmaceuticals.

During the reporting period, 52 separate intelligence reports were disseminated to state and commonwealth law enforcement agencies, including the QPS, the Australian Criminal Intelligence Commission, the Australian Federal Police, Department of Home Affairs, New South Wales Crime Commission, and have been uploaded to the Australian Criminal

Intelligence Database. Further reports from the assessment will be disseminated early in 2019–20.

To aid law enforcement and intelligence agencies, the CCC also produced a *2018–19 Drug Commodities Guide*, providing updated information about market trends, drug prices, and risk assessments for each of Queensland's primary illicit drug markets. The guide will be distributed to law enforcement agencies early in 2019–20.



Focus area | Illicit markets

Recovering the proceeds of crime

The CCC has civil confiscation functions under the *Criminal Proceeds Confiscation Act 2002*, to investigate, restrain, and seek the forfeiture of criminal assets, the proceeds of crime and the unexplained wealth of persons reasonably suspected of having engaged in serious crime-related activity. The CCC may itself initiate proceeds of crime investigations and associated action or it may receive referrals to consider such action from the QPS or other law enforcement agencies.

Recovering proceeds of crime is a key prevention strategy engaged by the CCC because it removes the financial benefit

and support for serious and organised crime. When criminal assets are forfeited, it not only reduces the incentive for engaging in the criminal activity, it disrupts the business model for the criminal activity by preventing the reinvestment of illicit profits to support the ongoing enterprise.

In 2018–19 the CCC concluded 54 proceeds recovery actions resulting in more than \$13.651 million in assets forfeited to the State of Queensland.

In 2018–19 the CCC assessed 90 opportunities to undertake proceeds of crime recovery action in relation to criminal proceeds alleged to be derived from serious crime related activity involving illicit markets. This represented 73.77 per cent of new matters considered for proceeds of

crime action. In the same period, proceeds action related to illicit markets resulted in 29 restraining orders being obtained over assets valued at more than \$8.768 million and 36 proceeds forfeitures valued at over \$6.919 million.

As at 30 June 2019 the CCC has 44 active proceeds of crime cases related to illicit markets with over \$23.807 million in assets under restraint.



The CCC has civil confiscation functions under the *Criminal Proceeds Confiscation Act 2002*

Disrupting an organised crime syndicate

Working alongside the QPS, and with the assistance of the Office of the Director of Public Prosecutions and the Public Trustee of Queensland, this year the CCC finalised proceeds action against the head of a Brisbane-based organised crime syndicate involved in trafficking methylamphetamine, cocaine, heroin, cannabis and MDMA.

In 2015 restraining orders were granted by the Supreme Court of Queensland for property owned by the head of the syndicate comprised of \$1.782 million in cash, a vehicle, bank account and six properties. As a result of a financial investigation, the

CCC was able to demonstrate that the head of the syndicate had acquired significant unexplained wealth and in 2018 the State commenced an action in the Supreme Court under the provisions of the *Criminal Proceeds Confiscation Act 2002*.

In 2019 the Court made an unexplained wealth order against the head of the syndicate requiring that person to pay to the State an amount of \$1.970 million, assessed by the Court to be the value of the person's unexplained wealth.





Action on ice

The Queensland Government's *Action on ice* plan aims to address the harms caused by ice by breaking the cycle of drug use and building upon existing efforts across government agencies. The key activities address every aspect of the path to addiction, with a focus on reducing supply and demand for ice, and minimising harm. The CCC is committed to the government's plan to addressing and minimising the harms ice has upon Queensland communities through these measures. The CCC supports the Queensland Government's *Action on ice* initiatives by prioritising investigations into high threat criminal networks that are trafficking ice into Queensland.

Operational activities and hearings

In 2018–19 the following operational activities and hearings were undertaken in relation to matters involving methylamphetamine supply:

Crime investigations 9

Witnesses examined	50
Hearing days	29

Intelligence operations 3

Witnesses examined	1
Hearing days	1

Restraining orders and forfeitures

In 2018–19 the following restraining orders and forfeitures were made in relation to matters involving methylamphetamine supply:

Restraining orders
20 matters with an approximate value of **\$5.85M**

Forfeitures
25 matters with an approximate value of **\$6.03M**

Focus area | Organised crime threats and unresolved major crime

Respond to the most serious organised crime threats and advance investigations into unresolved major crime

A second area of focus for the CCC is on responding to the most serious and organised crime threats, and on achieving better outcomes for major crime investigations that are unlikely to be resolved with powers ordinarily available to police.

Crime groups continue to evolve, diversify and adapt their methodologies to avoid law enforcement detection, and the use of encrypted communications and other technologies, and professional facilitators are key enablers of serious and organised criminal activity in Queensland. The CCC, working in co-operation with the QPS and other law enforcement agencies, is uniquely placed to help address these challenges.

Investigations

During 2018–19 the CCC commenced 22 major crime investigations focused on serious and organised crime with 23 investigations finalised in the same period. As a result of those investigations, the CCC was responsible for the arrest of eight people, charged with 19 offences including aggravated fraud and money laundering. The QPS was responsible for the arrest and charge of other offenders as a result of these investigations.

Coercive hearings

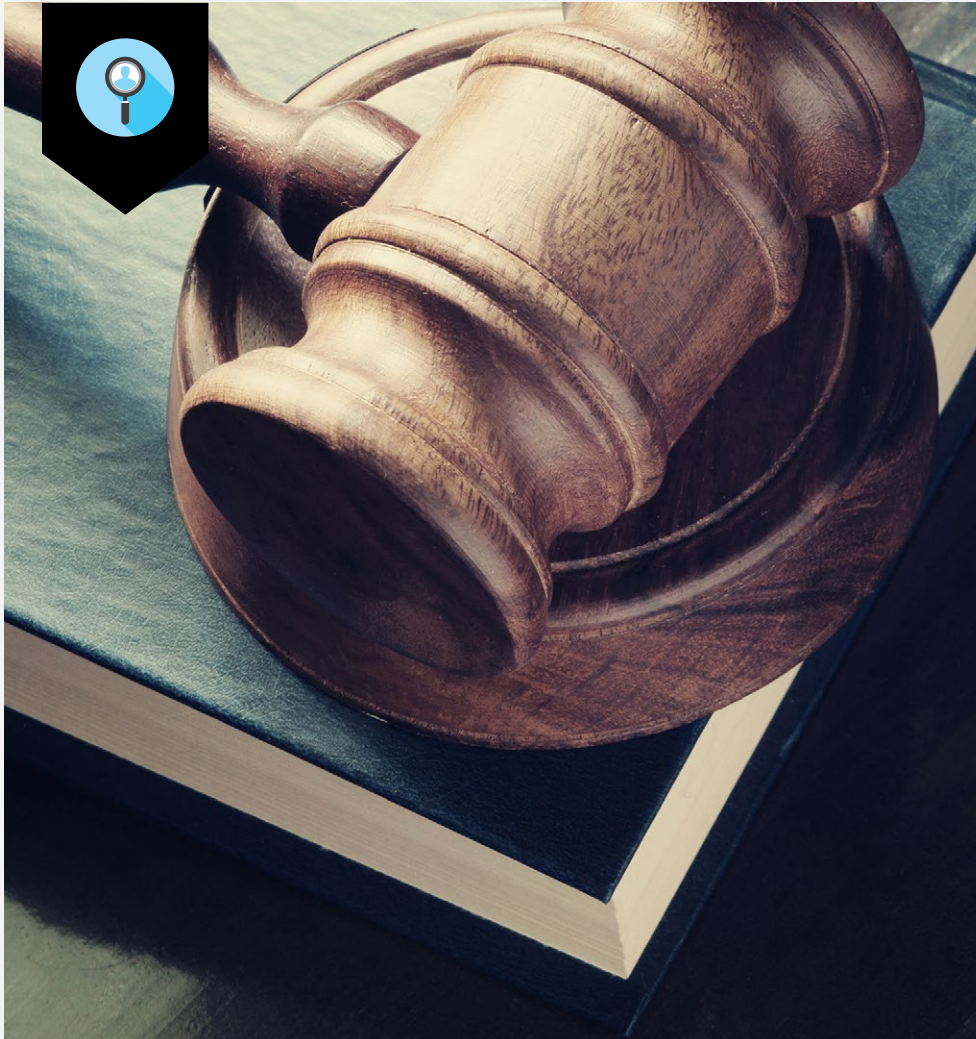
Our coercive hearings power allows us to obtain new information and evidence that can advance complex and unresolved major crime, as well as enhance law enforcement's awareness of organised crime involvement in criminal activity. Through the use of our hearings we are also able to improve our understanding of emerging major crime threats within Queensland, and identify vulnerabilities and opportunities to disrupt and dismantle criminal networks.

The assistance of the CCC may also be sought for serious crime investigations such as unresolved murders and the physical and sexual abuse of children. Our hearings are a valuable tool in criminal paedophilia investigations because they can assist in obtaining details about child exploitation networks from individual offenders, obtaining access to information to encrypted devices, or obtaining details of offending which facilitate the identification of victims.

The CCC holds hearings throughout Queensland to ensure regional investigations receive a similar level of support to those in metropolitan areas.

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Operation Stockade

Operation Stockade concentrated on allegations that a principal solicitor of a Brisbane-based criminal law firm received cash payments from certain clients and failed to comply with legal requirements to deposit those monies into the firm's trust account. It was alleged that this was done with the intention of concealing the payments from both the firm and the Australian Taxation Office. In addition, some of the clients received financial support from Legal Aid Queensland and were alleged to have obtained this support by supplying false pay summaries and other information to Legal Aid Queensland. The Legal Aid payments were alleged to have been made to the law firm in addition to the cash payments received from the clients. The investigation resulted in a number of persons being charged with aggravated fraud, money laundering and related offences in relation to a total of over \$900,000 in alleged cash payments made by the clients and an additional \$350,000 in alleged payments obtained from Legal Aid Queensland.

Focus area | Organised crime threats and unresolved major crime

Hearings

In 2018–19 the CCC held 134 days of hearings and examined 142 witnesses in various locations such as Brisbane, Ipswich, Gympie, Gladstone, Townsville, Cairns and Charters Towers, to support and advance organised crime or unresolved major crime investigations.

Organised crime

- In December 2018 hearings undertaken in relation to the stabbing and violent assault of a Cairns man and his 12-year-old son in the course of an attempted armed robbery in October 2014 were successful in confirming the identity of one of the offenders and statements being obtained from two previously uncooperative witnesses.
- Between November 2018 and January 2019 hearings undertaken in relation to an investigation into the alleged theft of approximately 400 head of cattle from a station near Richmond called Strathpark, resulted in additional witnesses providing statements and identified how the offences were occurring, and who was involved. In March 2019 two people were charged with offences including stock stealing and receiving tainted property.

- In April and May 2019 hearings undertaken in relation to an organised crime group committing burglaries in south-east Queensland resulted in evidence being gathered about the location of the stolen property and generated a number of valuable lines of inquiry and investigation opportunities.

Homicides

- Between November 2017 and October 2018 hearings undertaken in relation to the disappearance and suspected murder of a 26-year-old Brisbane man in February 2015 resulted in statements being obtained from several previously uncooperative witnesses and several leads were generated. In June 2018 police charged two men with murder and associated offences.
- From April to October 2018 hearings held in relation to the stabbing murder of a 35-year-old man at Kuraby in October 2017 were successful in obtaining evidence from one previously uncooperative witness and testing the credibility of an alibi. In January 2019 a man was charged with the murder.
- In July 2018 hearings undertaken in relation to the fatal shooting of a man at Petrie in April 2018 for which multiple alleged offenders had already been charged by police, were successful in excluding another suspect in relation to the offence and identifying a key witness who provided evidence not previously known to investigators.
- In August 2018 hearings held in relation to the disappearance and suspected murder of a Cairns man in 1989 were successful in clarifying circumstances relevant to the disappearance of the man, eliminating three suspects and identifying a previously unknown suspect.
- In September 2018 hearings held in relation to the suspected murder of a 30-year-old man at Maryborough in 1997 obtained statements from two previously uncooperative witnesses. In March 2019 a man was charged with the missing person's murder.
- In February and March 2019 hearings held in support of an investigation into the stabbing murder of a man in Brisbane in January 2019 were successful in identifying and obtaining evidence from a previously unknown witness, identifying further lines of inquiry, securing evidence from two previously uncooperative witnesses and identifying a further witness. Three persons were later charged with the murder.

Child homicide and abuse

- In August 2018 and January 2019 hearings held in relation to the alleged torture and grievous bodily harm of a 13-month-old infant at Toowoomba in 2017 were successful in eliminating one suspect and strengthening the evidence against another.
- In August 2018 hearings held in relation to the activities of a suspected child sex offender were successful in obtaining password information so as to access further suspected child exploitation evidence, a statement being obtained from a previously uncooperative witness and in identifying multiple children whose images were found on other devices in the possession of the suspect.
- In September 2018 hearings held in relation to the grievous bodily harm (suspected "baby-shake") of an eight-week-old infant on the Gold Coast in June 2018 were successful in eliminating a suspect and leading to evidence strengthening the case against another. In November 2018 a man was charged with the grievous bodily harm.



- In September 2018 hearings held in relation to the suspected unlawful killing of a seven-month-old baby boy at Edmonton in February 2013 were successful in eliminating one suspect and obtaining evidence of how the child was cared for before his death.
- In December 2018 hearings undertaken in support of an investigation into the death of a four-month-old baby girl in Logan in November 2018 were successful in identifying further evidence and lines of inquiry. During the hearings a woman was charged with murder and, subsequent to the hearings, a man was charged with several child neglect offences.

Fraud and money laundering

- In February and July 2018 hearings held in support of a fraud investigation into the alleged activities of a property development company based on the Gold Coast were successful in causing a previously uncooperative witness giving evidence. Several persons associated with this company were charged with fraud.

Intelligence operations and activities

In 2018–19 the CCC finalised a specific intelligence operation that was focused on a criminal organisation suspected of being involved in criminal activity (other than matters involving illicit markets). In the same period the CCC also held 18 days of hearings and examined 17 witnesses to support and advance investigations of this kind.


One such investigation was a specific intelligence operation concerning the activities of an outlaw motorcycle gang (OMCG) operating on the Gold Coast. The hearings were held in Brisbane and the investigation was undertaken in consultation with the QPS Organised Gangs Group to assess emerging issues within the OMCG environment.

This intelligence operation was successful in addressing intelligence gaps that included an understanding of the current members of the OMCG chapters, recruitment strategies implemented by this OMCG to increase their membership base, the extent and use of distinctive OMCG-related tattoos and patches to display membership and allegiance to an OMCG, and the nature and extent of their association with social and military motorcycle clubs.

Recovering the proceeds of crime

In 2018–19 the CCC assessed 32 opportunities to undertake proceeds of crime recovery action in relation to criminal proceeds alleged to be derived from major crime other than matters involving illicit markets. This represented 26.23 per cent of new matters considered for proceeds of crime action. In the same period, proceeds action related to major crime matters resulted in nine restraining orders being obtained over assets valued at more than \$19.480 million and 18 proceeds forfeitures valued at over \$6.732 million.

As at 30 June 2019 the CCC has 13 active proceeds of crime cases related to major crime other than matters involving illicit markets with over \$21.441 million in assets under restraint.



Results

In 2018–19 the following restraining orders and forfeitures were made in relation to matters involving major crime (excludes illicit markets):

Restraining orders

9 matters with an approximate value of **\$19.480M**

Forfeitures

18 matters with an approximate value of **\$6.732M**

Focus area | Organised crime threats and unresolved major crime



Restraining the proceeds of crime

Working alongside the QPS, and with the assistance of the Office of the Director of Public Prosecutions and the Public Trustee of Queensland, in January 2019 the CCC initiated proceeds action resulting in the successful restraint of \$15.770 million cash being funds alleged to be the proceeds of suspected fraud on the State of Queensland.

The suspected fraud relates to alleged activity engaged in since 2010 by a large scale cotton grower in south-western Queensland and concerns claims made by the cotton grower on the Healthy Headwaters Water Use Efficiency Project (HHWUE). The HHWUE is funded by the Commonwealth government and administered by the State Government, Department of Natural Resources, Mines and Energy, as part of the national

scheme to preserve the Murray-Darling Basin. Criminal prosecutions arising from the investigation and the proceeds of crime action remain ongoing, however the restraint of funds represents the largest single proceeds of crime action taken under the *Criminal Proceeds Confiscation Act 2002*, since the legislation commenced.

Terrorism Act

The CCC may be asked by the government to explore and report on complex public policy issues relating to the administration of justice. In 2017 the CCC was asked by the Police Minister to conduct a mandatory review of Queensland's *Terrorism (Preventative Detention) Act 2005* (TPDA) to determine the need for, and effectiveness, of the legislation.

The CCC's review report was provided to the Police Minister in September 2018. The report made nine recommendations for changes to the TPDA designed to ensure an appropriate balance was maintained between protecting the liberties of individuals being detained and protecting the community from real threats.

Review findings and recommendations

The CCC was requested to conduct the review due to its independent research capacity and experience with similar legislative reviews. As part of its review, the CCC received 10 written submissions from stakeholders and members of the public.

Although the TPDA has never been used in Queensland, the CCC identified that there was a narrow but ongoing role for its specific powers. The review also revealed that a significant factor potentially limiting the effectiveness of TPDA was an inability for police to question detained persons. As such, the CCC recommended consideration be given to amendments to the legislation, including in relation to the questioning power, evidence use, contact and information access for detainees (recommendations 1-3 and 5).

Other recommendations related to:

- the expansion of compensation schemes for people who were detained (recommendation 4)
- the improvement of policies, procedures, training and guidelines to support proper operationalisation of the Act (recommendations 6 and 8)
- additional safeguards for children (recommendation 7), and
- new reporting requirements when a person is detained (recommendation 9).

Government response

The CCC report and Government response was tabled in Parliament by the Police Minister on 19 November 2018. The Government supported two recommendations (recommendations 6 and 8) for immediate implementation, another two recommendations (recommendations 7 and 9) were supported in principle. One recommendation (recommendation 4) was not supported and the Government deferred consideration of recommendations 1–3 and 5 to allow for incorporating any changes already being considered for the *Commonwealth Crimes Act 1914* and to maintain national legislative consistency.

Additionally, while the CCC did not recommend it, the Government also committed to further reviewing the need for the TPDA by 2024, just prior to when it would automatically expire under a sunset clause.



The *Terrorism (Preventative Detention) Act 2005* enables a person to be detained by police to prevent a terrorist act or to preserve evidence relating to a terrorist act.

Focus area | Investigations into corruption

Pursue corruption involving elected officials, excessive use of force and misuse of confidential information

The CCC investigates reports of corrupt conduct — in particular, more serious or systemic corrupt conduct — affecting Queensland public sector agencies.

Elected officials

Elected officials must act with integrity and should exercise judgement that is not motivated or perceived to be motivated by self-interest and must put the interests of the public ahead of their own personal interest. Failure to demonstrate accountability and transparency in decision-making can severely erode public confidence in the work of elected officials.

One of the most significant increases in complaints received by the CCC over the last 12 months has been in relation to the local government sector. In 2018–19 the CCC received 235 complaints relating to elected officials, representing eight per cent of all complaints received. In relation to the local government sector, the number of complaints received this year increased by 29 per cent compared to 2017–18.

In 2018–19 the CCC received 444 allegations of corrupt conduct by elected officials, with 94 per cent of these allegations related to local governments. Most allegations involved people misusing their authority to benefit themselves or others (mostly in the areas of procurement, recruitment, and development applications and zoning) or misusing public resources (mostly in the areas of fraud, unauthorised use of resources and theft).

This area will remain a focus of the CCC in 2019–20 as there is still more work to be done in the local government sector. In addition to conducting and monitoring investigations, the CCC will seek to influence the improvement of governance and culture in local government authorities.

Investigations

In 2018–19 the CCC finalised 21 investigations and 31 reviews involving allegations of corruption by elected officials, which resulted in 13 people being charged with 28 criminal offences. The CCC also made nine prevention recommendations to four councils to improve their governance, systems and processes and documentation of decision-making.

Of the 21 investigations finalised, two matters were referred to the relevant council and the Office of the Independent Assessor for consideration of disciplinary action.

The CCC referred 43 matters back to the relevant council and the Office of the Independent Assessor to investigate, with the investigations to be monitored by the CCC.

Prevention

The CCC continues to include the local government sector in corruption prevention initiatives. For example, the CCC will shortly complete its audit in relation to local government community grants (see page 48).

The CCC also collaborates with other integrity agencies and public sector agencies in relation to corruption prevention initiatives relating to the local government sector. For example, in 2018–19 the CCC worked with the Queensland State Archives to prepare the publication *Council records: a guideline for mayors, councillors, CEOs and government employees* (published in July 2019).





Table 1. Elected officials – complaints, allegations and investigations

Year	No. of complaints	No. of allegations	No. of CCC Investigations
2018–19	235	444	17
2017–18	212	584	34
2016–17	158	413	31
2015–16	122	272	4

Table 2: Elected officials – summary of investigations and reviews outcomes

Description	Number
Investigations commenced	17
Investigations finalised	21
Reviews commenced	43
Reviews finalised	31
People charged	13
Criminal charges laid	28
Referred back to, or continue to be dealt with by, the public sector agencies as a disciplinary matter	2
Prevention recommendations	9

Complaints made to the CCC

Complaints and allegations (including notifications from units of public administration) are the principal starting point for most CCC investigations and they can also be a significant indicator of emerging corruption risks and issues across the public sector. A complaint can often consist of multiple allegations.

Complaints can be referred back to an agency when, for example, the agency has capacity to investigate the complaint or another agency such as the QPS is actively investigating related criminal offences or is better equipped to investigate the criminal conduct. Complaints may also be referred to agencies that have jurisdiction to deal with the matter under their own statutory framework.

For those matters dealt with by another agency, the CCC may:

- require no further advice from the agency concerning the outcome of the matter
- review the investigation while it is in progress
- review the outcome once the matter has been finalised
- where no further advice was sought by the CCC, conduct audits of how the matter was dealt with by the agency.

In 2018–19 the CCC received 3109 complaints of suspected corruption involving 8329 allegations. In comparison to 2017–18, these numbers have remained steady. The CCC assessed a total of 3381 complaints, which represents a decrease of 6 per cent in assessed complaints compared to 2017–18.

Our five-year trend data is provided on page 17.

Focus area | Investigations into corruption

Local government investigations

Recognising the importance of public confidence in elected officials, improving integrity, accountability and transparency in Queensland's local government sector has been a priority for the CCC for the past two years.

During this time, the CCC's investigations into local government have exposed a number of significant and systemic corruption risks in the local government sector.

In October 2017 the CCC published its report, *Operation Belcarra: A blueprint for integrity and addressing corruption risk in local government*, which made 31 recommendations to strengthen transparency and integrity in local government throughout Queensland. This report was the outcome of the CCC's investigation into the conduct of candidates involved in the 2016 local government elections for the Gold Coast City Council, Moreton Bay Regional Council, Ipswich City Council and Logan City Council. As a result of Operation Belcarra, the CCC found widespread non-compliance with legislative obligations relating to local government elections and political donations. The government endorsed all 31

recommendations, supporting some in full and others in principle.

Operation Belcarra spurred wide-ranging reforms to address deficiencies relating to local council elections and to improve transparency, integrity and accountability in local government. This includes the introduction of the Local Government Electoral (Implementing Stage 2 of Belcarra) and Other Legislation Amendment Bill 2019 in the Queensland Legislative Assembly on 1 May 2019.

There has been legislative reform in relation to the local government sector and the Office of the Independent Assessor was established in 2018–19.

Following Operation Belcarra, the CCC received new allegations about the conduct of elected officials and employees. The CCC began a number of investigations, including pursuing allegations of corruption at Ipswich City Council (Operation Windage) and Logan City Council (Operation Front).

Operations Windage and Front are two of the most significant investigations carried out by the CCC – whilst complex and protracted in nature, both investigations have resulted in significant outcomes. More information about these operations is detailed in the case study to the right.



Operation Front

Operation Front commenced in November 2017 after evidence relating to the Mayor of Logan City Council was uncovered during Operation Belcarra.

The investigation focused on allegations of reprisal, bullying, misuse of authority and misuse of council funds.

In April 2018 the CCC charged the suspended Mayor with four criminal offences. Following further investigation, in April 2019 the CCC charged the Mayor with further criminal offences and seven current serving councillors were also charged. A total of 14 serious criminal offences have been the subject of charges to date.

This investigation remains ongoing.





Operation Windage

In October 2016 the CCC commenced Operation Windage to investigate allegations of corruption related to the Ipswich City Council. As at 30 June 2019, 16 people, including council employees, two mayors, two Chief Executive Officers (CEOs) and one Chief Operating Officer, have been charged with 91 criminal offences.

As well as the matters that resulted in criminal charges, Operation Windage found evidence of a wide spectrum of governance and integrity failures, from inappropriate workplace interactions to consistent breaches of policy.

On 14 August 2018 the CCC tabled a report entitled *Culture and corruption risks in local government: Lessons from an investigation into Ipswich City Council (Operation Windage)*. The report was intended to inform councillors and council staff of the corruption risks that arise when governance, legislative

and disclosure obligations pertaining to local government are ignored, and to remind public and elected officials of the importance of transparency and accountability.

Based on the behaviours and potential corruption risks identified during its investigation, the CCC's recommendations related to:

- the use of controlled entities by councils,
- the use of private emails to conduct official business,
- improving councillors' financial literacy, controls and management, and
- ensuring greater compliance with policies and procedures, particularly in high-risk areas.

On 21 August the Ipswich City Council was sacked by the State Government and an administrator was appointed.

Criminal charges and sentences

To date a number of people have appeared in court on charges arising from Operation Windage.

On 15 February 2019 four people were sentenced to terms of imprisonment for corruption offences:

- Former Ipswich City Council CEO Carl Wulff pleaded guilty to two counts of official corruption and one count of attempting to pervert the course of justice, and was sentenced to a total of five years imprisonment, to be suspended after 20 months.
- Sharon Oxenbridge, Mr Wulff's wife, pleaded guilty to two counts of official corruption and was sentenced to three years imprisonment, to be suspended after nine months.
- Council contractor Claude Walker pleaded guilty to one count of official corruption, and was sentenced to three years imprisonment, to be suspended after nine months.
- Businessman Wayne Myers pleaded guilty to a single count of official corruption, and was sentenced to 2.5 years imprisonment, to be suspended after six months.

On 3 May 2019 contractor Wayne Innes pleaded guilty to a number of charges including corruption, forgery and attempted fraud in the District Court in Brisbane and was sentenced to four years imprisonment, to be suspended after 12 months.

On 6 June 2019 former Ipswich Mayor Andrew Antonioli was convicted on 12 fraud offences and one attempted fraud in the Ipswich Magistrates Court. On 9 August, Mr Antonioli was sentenced to six months imprisonment, wholly suspended for 18 months.

On 12 June 2019 Troy Anthony Byers was found not guilty of fraud charges.

A number of criminal matters are ongoing.

Focus area | Investigations into corruption

Excessive use of force

Excessive use of force by a public sector employee against a member of the public constitutes a serious abuse of power.

The CCC continues to investigate and closely monitor allegations of excessive use of force within the Queensland public sector. Allegations of excessive force are most commonly received about police officers and other officers working in corrections and youth detention.

In 2018–19 the CCC received 837 use of force allegations accounting for 10 per cent of all corrupt conduct allegations received. Excessive use of force complaints account for 13 per cent of allegations received in relation to the QPS and seven per cent of allegations in relation to the broader public sector, including complaints against correctional officers, teachers and hospital and health service staff.

The number of allegations received in 2018–19 has decreased by 16 per cent when compared to 2017–18. While there is no single explanation for the decrease in allegations of use of force, the CCC is optimistic about the influence of its focus of resources in this area. The lessons from Taskforce Flaxton, the roll-out of

body worn cameras and the CCC's review of public sector agency compliance, have raised the level of awareness amongst our stakeholders.

In terms of police conduct, assault or excessive use of force continues to be one of the most common allegations made to the CCC. In 2018–19, a total of 507 allegations relating to excessive use of force by the police were received by the CCC.

As we have noted a decrease in allegations, excessive use of force will no longer be a primary area of focus in 2019–20.

Investigations

In 2018–19 the CCC finalised 12 investigations and reviewed a further 85 matters where it was alleged that excessive force was used. As a result of the investigations, a custodial correctional officer from the Wolston Correctional Centre was charged with common assault and two matters were referred to the Gold Coast Hospital and Health Service recommending disciplinary action. A further two matters were referred to Queensland Corrective Services to continue to deal with as disciplinary matters. The CCC was satisfied with the way the agencies dealt with the majority of the 85 investigations reviewed.

The CCC recommended seven procedural improvements, mainly focused on additional training and supervision in use of force situations.

The CCC also referred 453 matters back to agencies, including 86 matters to be investigated subject to monitoring by the CCC.

Prevention

In November 2018 the CCC released a Prevention in focus paper entitled *Body worn cameras – their role in complaint resolution*. This paper draws on CCC

complaints data and investigation case studies. Both of these information sources indicate that, in the event of a complaint, body worn cameras can be a protective measure for all parties involved and can result in a matter being resolved without an unnecessarily protracted investigation.

The footage obtained from body worn cameras has been critical to the CCC in assessing and investigating complaints about excessive use of force, not just by police officers but also in corrections and some health services.



Above: The CCC's Prevention in focus publication, *Body worn cameras – their role in complaint resolution*

Table 3. Use of force – complaints, allegations and investigations

Year	No. of complaints	No. of allegations	No. of CCC Investigations
2018–19 ¹	492	837	0
2017–18 ¹	580	999	14
2016–17 ²	452	850	3
2015–16 ²	518	946	19

Notes:

1. 2018–19 and 2017–18 figures include QPS and other public sectors.
2. QPS only.

Table 4. Use of force – summary of investigations and reviews outcomes

Description	Number
Investigations commenced	0
Investigations finalised	12
Reviews commenced	86
Reviews finalised	85
People charged	1
Criminal charges laid	1
Referred back to, or continue to be dealt with by, the public sector agencies as a disciplinary matter	4
Prevention recommendations	7



Recommendations to address corruption in corrective services facilities

In 2018 an investigation by the CCC found there were significant risks of corruption in Queensland corrective services facilities. The operation was titled Taskforce Flaxton and determined that corruption risks were not being effectively prevented, detected or dealt with by existing anti-corruption frameworks.

On 14 December the CCC tabled its report *Taskforce Flaxton: An examination of corruption risks and corruption in Queensland prisons* in Parliament, making 33 recommendations to address corruption and corruption risks.

Taskforce Flaxton

Taskforce Flaxton focused on 14 adult prisons and work camps in Queensland, including the two privately run facilities at Arthur Gorrie Correctional Centre and Southern Queensland Correctional Centre.

The taskforce commenced in March 2018 after the CCC noted an increased number of allegations relating to:

- assaults, including officers using excessive force to control prisoners.

- misuse of authority or power, including officers threatening to harm prisoners or staff.
- failing to provide prisoners with appropriate care or access to services, such as medical treatment and legal advice.
- officers helping to bring contraband into a facility.
- unauthorised access or release of official information.

For the investigation, emphasis was placed on engaging with people who had first-hand experience of the unique and challenging environment of custodial settings. The examination involved 16 days of public hearings and an anonymous survey for prisoners and prison staff.

During the hearings, the CCC heard from 34 witnesses who brought a range of different perspectives to the process. The hearings also provided an opportunity to examine features of the legislative, policy and operational environment that may enable corrupt conduct to occur or are vulnerable to corrupt conduct, as well as reforms to better prevent, detect and deal with corrupt conduct

within Queensland Corrective Services (QCS) facilities. Thirty-three detailed written submissions were also received.

Responding to issues

The investigation was timely as QCS had recently entered a new era of reform, having only recently separated from the Department of Justice and Attorney-General to operate as a standalone department. QCS provided its full cooperation to the taskforce, seeing it as a valuable opportunity to examine processes and receive expert advice.

As Taskforce Flaxton progressed, QCS began responding to the issues being raised in the public hearings.

In doing so, the QCS executive team demonstrated its willingness to deal with these issues with priority.

Recommendations

The 33 recommendations in the Taskforce Flaxton report ultimately aimed to improve safety for staff and prisoners, ensure ethical and impartial decision-making, enhance accountability and transparency, and raise performance standards.

Specifically, the recommendations encouraged QCS to:

- improve its strategy and performance
- implement more robust anti-corruption measures
- improve its internal oversight.

In addition, the CCC proposed enhancements to external oversight mechanisms.

The CCC encouraged the government to implement all 33 recommendations in order to deliver comprehensive improvements and ultimately reduce corruption risk.

Outcomes

On 5 July 2019 the State Government issued its response to the CCC's recommendations. The Government has supported all 33 recommendations, with 24 supported in full and nine supported in principle.

A copy of the CCC's report, a one page summary of Taskforce Flaxton and the Government's response can be found on the CCC website.



Misuse of confidential information

Queensland public sector agencies collect and store a wide range of private, confidential and sensitive information that employees use to carry out their duties. This information is held in trust for both the individuals concerned and the Queensland community generally. Public sector agencies must ensure that such information is protected against unauthorised access, use, modification or disclosure. The CCC focuses on the misuse of confidential information because the security and privacy of sensitive data is of great concern to the community, and it is a significant corruption issue facing the Queensland public sector. The CCC deals with the issue of misuse of confidential information through investigations, reviews and audits, and by providing public sector agencies with corruption prevention materials and advice.

Misuse of confidential information occurs when a public sector employee accesses information held by the agency for a purpose not related to the performance of the agency's functions.

In 2018–19 a total of 1060 allegations relating to the misuse of confidential information were received by the CCC, representing 13 per cent of all corrupt conduct allegations received, with 293 (28 per cent) of those allegations related to QPS officers. While there has been a steady decrease over the last four financial years in allegations of this type in relation to QPS officers, allegations against other public sector officers (including local government) have increased significantly (from 251 allegations in 2015–16 to 767 allegations in 2018–19).

Allegations relating to misuse of information may refer to accessing or disclosing official or private information without a legitimate reason, falsifying official records, acquiring or retaining information or records illegally or inadequately safeguarding information.

As the improper access to sensitive information continues to be an ongoing issue in the public sector, this area will remain a focus of the CCC in 2019–20.

Investigations

In 2018–19 the CCC finalised 16 investigations and 102 reviews involving allegations of misuse of confidential information, which resulted in three people being charged with 88 criminal offences. Five matters were referred back to, or continue to be dealt with by, the public sector agency as disciplinary matters. The matters were spread across a variety of sectors including police, local government, education, housing and public works, health, corrections, education and child safety. The CCC also made 29 prevention recommendations including six to the Department of Health in relation to ICT security controls and the ability for employees to forward classified material to private email addresses without warnings.

Examples of allegations investigated by the CCC during 2018–19 include:

- A custodial correctional officer was charged with 69 counts of computer hacking following an investigation concerning misuse of the Queensland Corrective Services data management system.

- A senior probation and parole officer was found guilty of computer hacking and misuse and fined \$8,000 with a conviction recorded (see text box on page 43).
- A police officer unlawfully conducted checks of a QPS information system to view records of family members.
- An employee from the Department of Health disclosed confidential information for personal benefit.

Prevention

In May 2019 the CCC released a Prevention in focus paper entitled *Improper access to public sector databases, no. 2*. This is the CCC's second publication on this topic (the first paper was released in February 2018). This advisory highlights the disciplinary and criminal sanctions that may be imposed on public sector officers who improperly access or use confidential information.

Focus area | Investigations into corruption

Table 5. Misuse of confidential information – complaints, allegations and investigations

Year	No. of complaints	No. of allegations	No. of CCC Investigations
2018–19	603	1060	9
2017–18	492	762	15
2016–17	459	710	21
2015–16	438	713	22

Table 6. Misuse of confidential information – summary of investigations and reviews outcomes

Description	Number
Investigations commenced	9
Investigations finalised	16
Reviews commenced	151
Reviews finalised	102
People charged	3
Criminal charges laid	88
Referred back to, or continue to be dealt with by, the public sector agencies as a disciplinary matter	5
Prevention recommendations	29





Probation and parole officer prosecuted for computer hacking

In January 2019 a former senior probation and parole officer pleaded guilty to one charge of computer hacking and misuse (section 408E(1) and (2) of the Criminal Code) for conduct between June 2012 and November 2017. The charge arose out of a CCC investigation.

The officer unlawfully used restricted-access computer systems to gain access to information on her partner and his family members, friends and ex-partners. The officer also searched her old school friends and other people she knew personally or knew of through her personal life.

After accessing information including criminal histories the officer released the information to her partner via the messaging application “WhatsApp”.

The Magistrate fined the officer \$8,000 with a conviction recorded, noting it was a serious breach to access the personal information of private individuals. The Magistrate considered it necessary to send a clear message that the officer’s behaviour was not acceptable.

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Upcoming public hearing on misuse of information

Recent CCC investigations in relation to the misuse of information have identified a number of possible systemic issues. In the second half of 2019, the CCC will conduct a project which will include conducting a public hearing in relation to misuse of information.

The project will aim to examine the possible systemic issues with a view to raising standards of integrity relevant to detecting, managing and preventing corruption risks.

The public hearing will examine:

- factors which facilitate misuse of information within the

Queensland public sector, by examining the technical, people and system components within a number of selected agencies

- features of the legislative, policy and operational environment within each agency that may enable corrupt conduct to occur or are vulnerable to corrupt conduct and
- reforms to better prevent, detect and deal with corrupt conduct relating to misuse of information within the selected agencies, and lessons that can be extrapolated to the broader Queensland public sector.

Focus area | Police discipline

Collaborate with key stakeholders to implement and monitor a program of reform of the police complaints and discipline system

A fair and robust performance management and discipline system is essential for ensuring the ongoing integrity of the QPS, and public confidence in the work of police.

Following the establishment of a CCC-led police discipline working group in 2016, the CCC has continued to focus on police complaints and discipline reform and collaborate with key stakeholders to implement a new system that delivers a more efficient and consistent approach to managing discipline matters.

As reported in last year's annual report, a significant milestone was reached in October 2017 with the signing of a Memorandum of Understanding by the CCC, the Queensland Government, the State Opposition, the QPS and QPS unions relating to a new discipline policy framework which will act as the basis for a new QPS discipline system.

While the legislative change process progresses, the QPS has implemented immediate policy reforms aimed at improving how complaints against police are managed. Significantly, this includes the trial of a new QPS discipline system which commenced on 1 July 2018.

Two key features of this discipline system are:

- the Joint Assessment and Moderation Committee (JAMC) which focuses on the assessment of more serious and systemic matters; and
- the Abbreviated Disciplinary Proceedings process which enables quicker resolution of matters where sufficient evidence exists at the outset, circumventing the need for a full and lengthy investigation.

Joint Assessment and Moderation Committee

The JAMC reviews how serious complaints are triaged and monitored, and aims to improve the timeliness and consistency in approach when the QPS investigates complaints against its own officers. The Committee includes representatives from the CCC and the QPS Ethical Standards Command (ESC).

The JAMC evaluates how each complaint is initially assessed and then agrees to a plan of action. This process gives both the CCC and the QPS an assurance that complaints are being appropriately assessed and clearly establishes the responsibilities of each agency. The JAMC draws on CCC allegations data and research to evaluate levels of risk. The analysis of allegations

data assists the JAMC to assess whether an officer's complaints history is significant compared to that of their peers. The CCC continues to conduct research to better understand the importance of an officer's allegations history in assessing matters at the JAMC. In 2018–19 the JAMC assessed 57 complaint matters.

Investigations

The Investigation Consultation Process (ICP) is the second tier of the JAMC process. Since its commencement in September 2017, the ICP enables the QPS and the CCC to collaborate on contemporary investigative methodologies in matters that are the subject of the CCC's statutory monitoring function. As part of the ICP, the progress of matters and the CCC's expectations regarding investigations and/or criminal, disciplinary and managerial processes are tabled. In addition, the QPS and the CCC can raise issues that are contentious or that impact on their resources so that an effective resolution may be achieved.



The ICP does not meet on every matter; a meeting is held when there is a stakeholder necessity or public interest in gaining a joint commitment to processes that will meet stakeholder expectations. During 2018–19, 16 meetings were held in relation to 32 matters.

A number of the matters discussed at the ICP involved the inappropriate access and disclosure of information from the QPS QPRIME database. Misuse of information allegations are an area of focus for the CCC and can constitute offences under the Criminal Code and under the *Police Service Administration Act 1990*. There is now an increased understanding that the privacy and security of personal data is of significant importance to the public. The outcome from JAMC is that we are seeing an increase in prosecutions of both sworn and unsworn officers for identified data breaches, and an increase in the knowledge of the QPS regional Professional Practice Managers regarding the CCC expectations.

The ICP also considered matters where the QPS initially did not pursue criminal charges against subject officers. During this period the ICP considered a matter that involved the misuse of authority and failure of duty. The CCC had

previously assumed responsibility for the investigation of the matter from the QPS and had charged the subject officers with criminal offences. In this case the CCC was of the view that the intended discipline action to be taken against one of the subject officers would not meet public expectations.

The outcome of this ICP was that, as there was a difference of opinion between the CCC and the QPS, and having regard to the nature and seriousness of the alleged corrupt conduct, the CCC would again assume responsibility for the matter and will now prosecute the discipline charges in our original jurisdiction before the Queensland Civil and Administrative Tribunal.

Abbreviated Disciplinary Proceedings process

In July 2018 the pilot of the Abbreviated Disciplinary Proceedings (ADP) process commenced. The ADP seeks to finalise disciplinary proceedings in a more simplified and timely manner where there is little doubt the conduct occurred, and the subject officer readily admits the conduct. Under the ADP process the ESC will first consult with the CCC about the proposed disciplinary sanction or management action proposed to

be offered to a subject officer. If this indicative sanction is accepted by the subject officer and the CCC, there are no review rights for any party, unless new evidence comes to light.

The introduction of this pilot program has seen a reduction of 33 per cent in the number of matters requiring a formal discipline hearing, from 73 in 2017–18 to 49 in 2018–19.

It is also anticipated that the ADP process will significantly reduce the need for the review of outcomes by the CCC, and will ensure greater consistency and fairness in sanctions imposed.

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Legislation before Parliament

The Police Service (Discipline Reform) and Other Legislation Amendment Bill 2019 was introduced in Parliament on 13 February 2019 with the objective to implement the new police discipline system. The proposed discipline model provides options for abbreviated investigations, introduces a broader range of sanctions, and improves timeframes.

On 25 February 2019 the CCC Chairperson gave evidence at the Economics and Governance Committee's Inquiry into the Bill.

If passed, the new legislation will enhance the CCC's oversight role and expand our ability to apply for review of all disciplinary decisions.

As at 30 June 2019 the Bill is still progressing through Parliament.

Responding to corruption risks

Although the CCC develops areas of focus as part of its strategic planning process, the CCC's agile resourcing model enables us to respond to matters outside our areas of focus, particularly when they are of high risk or significant public interest. In some cases, an issue that emerges in one year will prove significant enough to become an area of focus in subsequent years, as witnessed most recently with our focus on corruption involving elected officials.

The CCC also shares lessons learnt from its assessments, investigations and audits to help raise public sector awareness of emerging or persistent issues.

Examples of some significant matters that we dealt with in this reporting period are detailed in this section.

The renaming of the Lady Cilento Children's Hospital

In completing its assessment of concerns surrounding the survey of public opinion to support a decision to rename the Lady Cilento Children's Hospital, the CCC conducted numerous enquiries in relation to the matter.

The CCC assessed whether the Minister for Health, other elected officials, ministerial staff or any public service employee submitted multiple votes with the intent to skew the results of the survey, and if any direction was given to public servants to vote for or against the name change.

To inform the assessment, the CCC considered data from a number of sources in relation to IP addresses and the voting website. After thorough analysis of the data, it was established that the ability to distinguish between an IP address that had simply accessed the voting website and an IP address that had proceeded with a vote was problematic. The inability to obtain data that simply records the IP addresses of individual users who actually

vote on these matters and the inability to simply link these IP addresses to an individual user in a government entity was of concern to the CCC. In the CCC's view, the lack of transparency and inability to robustly audit the results of a voting website limits the integrity of a process to engage meaningfully with Queenslanders on matters of public interest.

The CCC made a number of recommendations to the Department of Housing and Public Works to ensure that any future websites or software used by the State Government to gauge Queensland community opinion contain terms of use and eligibility instructions, technical restrictions and auditing functionality.

Improved transparency of Government board appointments

In July 2018 the CCC completed an assessment in relation to the appointment process of Mr Mark Algie to the board of Energy Queensland Limited (EQL).

As part of an investigation into Minister Mark Bailey's use of a private email account, the CCC identified an email from the Electrical Trades Union attaching a copy of the resume of Mr Algie. While the forwarding of a resume to the Minister did not in itself raise a reasonable suspicion of corrupt conduct, the CCC had also subsequently received complaints relating to the appointment process of Mr Algie.

To inform the assessment, the CCC requested a range of information from Queensland Treasury including correspondence, briefing notes, emails and other documents relating to the appointment, or recommendations for appointment, of the current directors on the EQL board, including Mr Algie. The CCC also requested information about any policies and procedures that govern the processes in relation to recruiting and appointing directors to the boards of Government Owned Corporations, including EQL.



After reviewing the material provided by Queensland Treasury, the CCC determined that there was insufficient evidence to raise a reasonable suspicion that any person involved in the appointment of Mr Algie engaged in corrupt conduct.

The CCC was, however, of the view that the processes to identify and nominate candidates for board appointments of Government Owned Corporations lacked transparency and good governance, and recommended the policies and procedures be revised to improve transparency of these appointments in the future. The CCC's recommendations included applying the same process equally for all candidates and conducting due diligence checks before recommendations for appointment are progressed to Cabinet.

Highlighting the perils of procurement fraud

Procurement fraud and conflicts of interest continue to be major corruption risk areas for the public sector, prompting the CCC to publish a Prevention in focus paper that dealt with those topics.

Following a joint investigation between the CCC, the Ethical Standards Command of the Queensland Fire and Emergency Services (QFES) and the QPS Financial and Cyber Crime Group, in May 2019 a former QFES Inspector was jailed for three years, to serve six months, after pleading guilty to four counts of official corruption.

The evidence gathered during this investigation revealed multiple types of corrupt conduct including undeclared secondary employment, undeclared conflicts of interest, supervisory failures, fraudulent procurement and improper disclosure of confidential information.

The results of the investigation and the sentencing remarks serve to remind all public servants that they are required to act transparently and with integrity at all times, and that they are not immune from criminal prosecution when their conduct does not serve the public interest and contravenes the law.



Above: The CCC's Prevention in focus publication, *Procurement fraud attracts prison sentence*

Responding to corruption risks

Raising public sector awareness

Our prevention work, which includes specific publications and audits, encourages a commitment to ethical behaviour and transparency across the entire public sector. We regularly review our corruption complaints data and the insights obtained from our audits to identify trends and areas of vulnerability, and reposition our priorities accordingly.

Expansion of the definition of corrupt conduct

From 1 March, with amendments to the *Crime and Corruption Act 2001*, a new definition of corrupt conduct came into effect.

The CCC updated one of its most frequently referenced publications, its *Corruption in focus: a guide to dealing with corrupt conduct in the Queensland public sector* to reflect the changes to the CC Act.

We produced two new fact sheets to alert agency complaints managers, supervisors and senior staff to the changes to the CC Act, and to some of the behaviours which would now come within the CCC's jurisdiction.

At the request of public sector agencies for further information about the changes to the CC Act, we also published a prevention in focus entitled *Corruption in the Queensland public sector - it's not just about public servants*. The publication highlighted the types of external influences and actions that could subvert their agency's operations and used case studies to step through the assessment processes and associated consultation with the CCC. Further, it advised on action that could be taken to guard against corrupt conduct involving people both

within and outside the public sector and to minimize risks and vulnerabilities.

Corruption audits

In identifying potential audit topics, the CCC conducts environmental scanning and consults with internal and external stakeholders to gain perspectives on corruption risks.

In 2018–19 the CCC published summary audit reports subsequent to the completion of the following audits:

- Integrity in procurement decision-making (see opposite page)
- Managing corruption risks associated with secondary employment
- Managing security risks associated with chemicals of security concern
- Assessing complaints of corruption (QPS)
- Responding to corruption related to failure of duty (Department of Education and the QPS).

Two other audits from our Corruption Audit Plan for 2017–19 are currently being finalised. One audit examined the conduct of councils in the awarding of community grants, with particular focus on the management of risk and probity.

An audit report will be published by the end of October 2019.

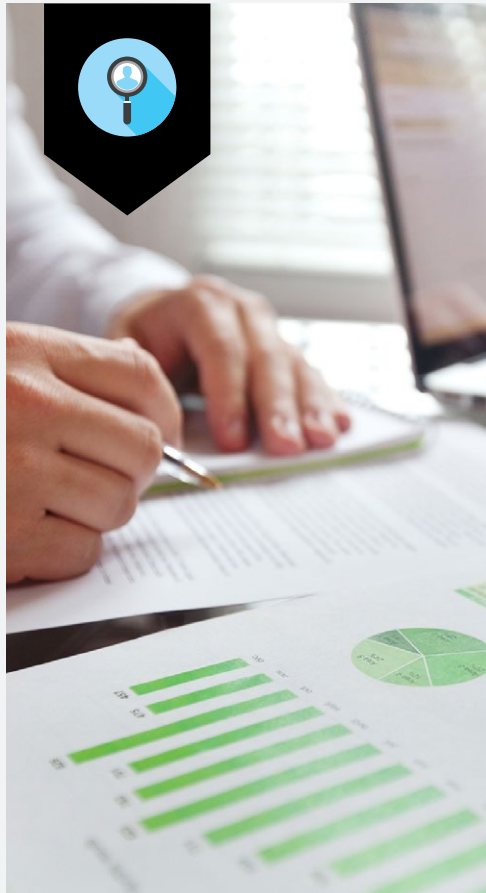
The second audit relates to the obligation under section 40 (CC Act) for agencies to notify the CCC of allegations of corrupt conduct. An audit report will be published by December 2019.

Due to delays in the enactment of legislation, two audits have been postponed until 2019–20. These audits will examine:

- record keeping requirements required under recent amendments to the CC Act
- councillors' interests and use of information.

Our audit plans and summary audit reports are published on our website.





Audit of integrity in procurement decision-making

It is estimated that each year the Queensland Government spends more than \$14 billion procuring a wide range of goods and services. This high level of spending presents opportunities for suppliers and contractors to secure lucrative government contracts and for employees with specialised knowledge and/or influence to be tempted or induced to act corruptly.

In 2019 the CCC audited the procurement activities of 16 agencies. The objectives of the audit were to examine whether Queensland's Hospital and Health Services demonstrably achieve value for money from their goods/ services procured; and to assess how public sector agencies have dealt with allegations about corrupt conduct related to procurement and contracting activities.

The first scope area was limited to five Hospital and Health Services – Metro South, North West, Sunshine Coast, Townsville and West Moreton. The second scope area involved a detailed review of 21 complaints received by the CCC about corrupt conduct related to procurement activity relating to 12 agencies.

Thirteen areas for improvement were identified and recommendations made.

They centred on the correct creation and maintenance of records for all procurement, not just high-value procurement. Documentation should provide an understanding of why the procurement was necessary, the process that was followed, all relevant decisions made and the basis of those decisions. There should also be evidence of the reasoning behind any decisions that depart from established procedures.

The audit of complaints revealed that in most matters considered, the selected agencies had dealt with complaints appropriately. However, areas for improvement related to investigative practices, disciplinary processes and internal controls.

The Department of Health considered the CCC's detailed audit report a valuable resource and has said they will use it in strengthening corruption prevention concerning probity during procurement across Queensland Health.

The report was published in May 2019 and is available on the CCC's website.

Exploitation of public sector resources will be an area of focus for the CCC in 2019–20.

Responding to corruption risks



International Anti-Corruption Day 2018

Joint communique from Australia's anti-corruption Commissioners

To mark International Anti-Corruption Day on 9 December 2018, the CCC Chairperson joined with heads of independent state-based anti-corruption agencies across Australia to issue a joint communiqué themed "Leadership is the key to corruption prevention". The communiqué called on public sector leaders to do more to build strong cultures of integrity that resist corruption. Read the full communiqué on the CCC's website.

Corruption in Queensland: perceptions and prevention

In May and June 2018, the Global Corruption Barometer survey (Australia) of people's perceptions of corruption was conducted by Griffith University and Transparency International Australia, with additional funding from the CCC to enable more Queenslanders to be included in the survey. On International Anti-Corruption Day, the CCC released its publication *Corruption in Queensland: perceptions and prevention*. This short report is a Queensland-specific snapshot of corruption perceptions and experiences, developed by the CCC based on the overall survey findings.

Prevention publications

Our prevention publications are an important means through which we disseminate guidance and advice, along with lessons learnt from our corruption investigations.

Our Prevention in focus series draws on CCC investigations to highlight specific prevention lessons for public sector managers (including police), staff and others. This year our series covered a range of topics including procurement risks, improper access to public sector databases, and the role of body worn cameras in the resolution of complaints against police officers.

All the papers in the Prevention in focus series are available on the CCC website.

Information roadshows

As part of a state-wide proactive engagement strategy, the CCC Chairperson and Executive Director, Operations Support Cheryl Scanlon joined Assistant Commissioner Sharon Cowden of QPS Ethical Standards Command to present at the CCC-QPS Senior Officers Professional Practice forums during 2018–19. Over 900 senior police officers from across Queensland attended these forums.

These information roadshows provided an excellent opportunity to discuss the role of the CCC and the new police discipline system, and deliver key corruption prevention messages.

Privacy Awareness Week

In 2019 the CCC was a partner agency for Privacy Awareness Week (12–18 May), which was led by the Queensland Office of the Information Commissioner. This year's theme was "Build privacy into your everyday".

On 15 May 2019 the CCC issued a media release reminding public servants that improper access to personal data can have serious consequences. Our CCC Connect eNewsletter on this date also focused on information privacy and what can be done to safeguard it.





03 Building our organisational capability

52 | Focus area: Improving organisational performance

Focus area | Improving organisational performance

This year the CCC has continued to deliver on our strategic objective of building organisational capability

Developing our people

In addition to our continued focus on developing our leaders and implementing initiatives that foster an inclusive culture that promotes employee wellbeing, collaboration, innovation and engagement, we are increasingly targeting our training and development on the 38 core capabilities identified as being required to deliver the CCC's vision and mission.

In 2018–19 the CCC invested \$555,558 in staff training and development, which represents a 63 per cent increase from 2017–18 (\$341,142) and a 22 per cent increase from 2016–17 (\$456,189) (see Figure 9 on page 71).

Critical capabilities

Last year we reported that the CCC had developed and implemented a new operating model and operational framework to modernise our operations. While a number of transformative initiatives were also launched, the CCC recognised that further work was needed to better position the organisation for the future.

During the past year the CCC has focused on identifying the critical capabilities for current and future service delivery, and streamlined its organisational structure in line with our new operating model and strategic requirements.

The CCC has identified ten critical capabilities that we need to focus on developing further to ensure we deliver our core services:

- Workforce planning
- Innovation
- Analytics
- Crime and corruption investigations and intelligence operations
- Change and culture management
- Prevention projects
- Strategic planning
- Pre-project and pre-investigation assessment
- Hearings
- Stakeholder engagement.

This year the CCC commenced its transition to a simplified, service-led organisational structure. This new

structure reflects the CCC's three primary service areas of crime, corruption and witness protection. It also reduces the CEO span of control to a reasonable level, provides clearer lines of accountability, and reduces duplication so that resources can be better deployed to support strategic and transformative initiatives.

We expect to complete the transition to our new structure in October 2019.

Enhancing strategic workforce planning

One of the CCC's ten critical capabilities is strategic workforce planning and we are exploring opportunities to enhance talent acquisition, development and management.

Further strategic and operational workforce planning activities are planned for the 2019–20 financial year to ensure that the CCC can continue to attract, develop and retain an inclusive, diverse and capable workforce.



Developing our leaders

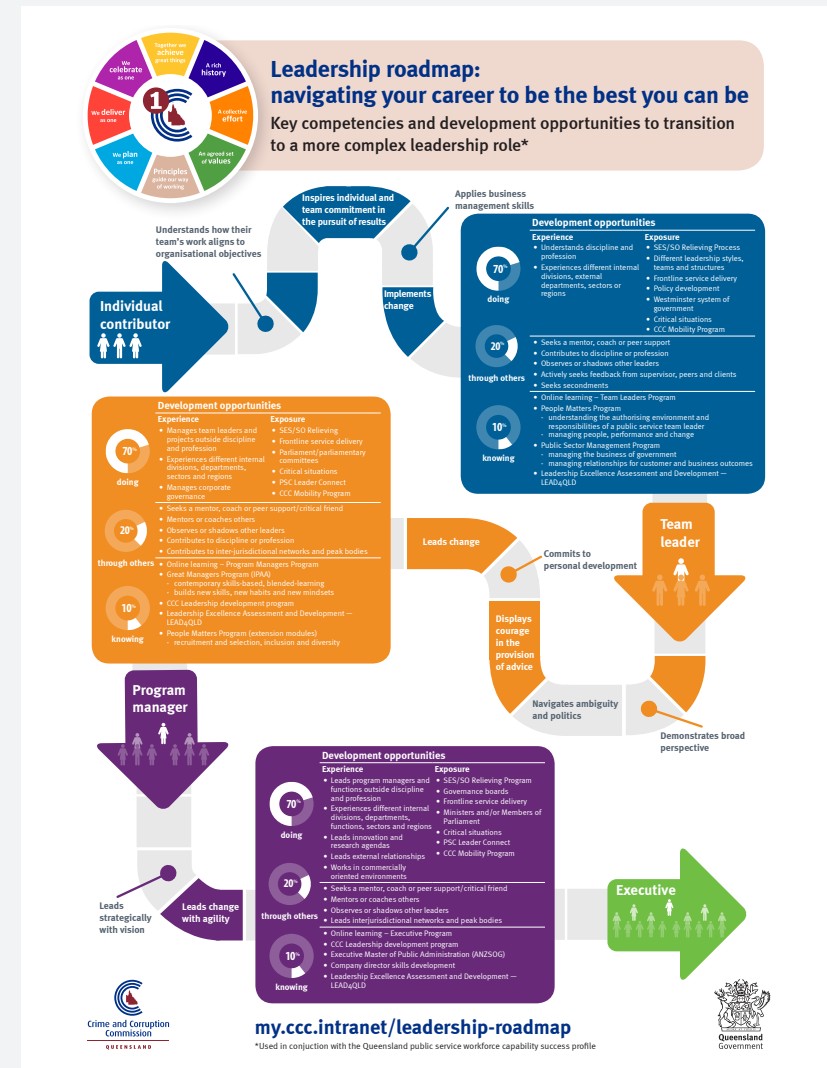
The CCC recognises that leadership development is essential to ensuring that we have a workforce able to deliver on our vision. In 2018 the CCC developed the People Growth Strategy to articulate the way we would support our people to grow in their roles and careers. This strategy is enacted by three key outcomes:

- Adopting the **Leadership Competencies for Queensland** which define the key competencies at all levels required to lead at the CCC and the Queensland public service. The competencies describe what highly effective leadership looks like in everyday actions across the three performance dimensions of Vision, Results and Accountability. These competencies have been embedded across the employee experience from recruitment and selection, performance management and capability development.
- Developing the **1CCC Leadership Capability Roadmap** which guides our current and emerging leaders to grow their leadership capability through intentional development activity to support their transition to a more complex leadership role.

- Developing the **1CCC Career Development Pathways** which provide guidance to all staff on how to grow capability through intentional development activity that embraces life-long learning to support their careers and enhance mobility.

We recognise the need to develop and grow our future leaders so that they are ready for leadership roles when they become available. In December 2018 a group of our leaders completed the “Great Managers” program which was delivered in conjunction with the Institute of Public Administration Australia. A further group of 13 leaders commenced the program in February 2019.

In May 2019 the CCC launched the Future Leaders Program which is targeted at staff employed at the AO5/PO3 and above classification level who do not currently have supervisory responsibilities but who aspire to take on a leadership role as part of their career progression. This program will provide participants with insight into their existing leadership strengths and development opportunities using the LEAD4QLD tool which has been widely adopted across the Queensland public sector. These insights will enable the CCC to provide targeted and tailored development opportunities that address the specific leadership competencies.



Above: The 1CCC Leadership Capability Roadmap

Focus area | Improving organisational performance

Building an agile and resilient workforce

Mentoring provides an effective way of transferring skills and knowledge, contributing to career development and growth, and growing awareness of different perspectives and ways of doing business. Following on from the success of the 2017 1CCC Mentoring Program, the CCC launched its next mentoring program in October 2018. Thirty-three officers from across the CCC participated in the program as both mentors and mentees.

The CCC also launched the first phase of an ongoing workforce mobility initiative. This phase created a relieving pool for senior officers to support the development of internal talent and provide CCC staff with exposure to other parts of the organisation. Phase two of this project will be launched in 2019–20 and will deliver a discipline-specific rotation program within the CCC, offering technical specialists the opportunity to work in different areas of the organisation. Phase three of the project, also scheduled for launch in 2019–20, will deliver a discipline-specific rotation opportunity with other public sector agencies.

In June 2019, 19 officers became certified Prince2 Agile® practitioners.

This knowledge will underpin our project management approach and help us to deliver innovative projects in a collaborative, agile way while not compromising control, governance and quality.

In the past year the CCC also supported 18 staff to undertake a Certificate IV in Government Investigations.

Growing our inclusive culture

In 2018–19 the CCC's Values and Culture Group (VCG) continued to lead initiatives to embed and support our organisational values of People, Accountability, Integrity, Courage and Excellence.

Guided by the *CCC Values and Culture Action Plan 2018–19*, the VCG oversaw the delivery of various activities to foster our 1CCC culture during October 2018, culminating in a shared event for all staff on 12 October 2018 to celebrate "Team CCC Day". Activities scheduled during the week from 8 to 12 October 2018 included a trivia competition based on organisational values, walking events and community fundraising activities.

The VCG also launched the Values Playbook in October 2018, a resource to support new and emerging leaders to encourage values-based behaviours. The guide provides practical suggestions for integrating the

values and values-based behaviour into the day-to-day operations of teams and to develop a positive and productive workplace culture.

As a modern workplace the CCC strives to create a work environment that fosters and supports inclusion and diversity. We already enjoy strong representation of women in leadership roles as well as robust gender equity at all levels of the organisation within our permanent, non-police workforce. A key element of the CCC's Reconciliation Action Plan (see page 58) is the commitment to improving employment outcomes for Aboriginal and Torres Strait Islander people within the CCC. Already this has led to the concurrent advertising of all CCC roles on Indigenous job boards as well as the SmartJobs site, and the inclusion of specific language in role descriptions and advertising to encourage Aboriginal and Torres Strait Islander people to apply for our roles.

Cultural awareness training has also been undertaken across the CCC in an effort support the process of building cultural competence. Future efforts will focus on entry pathways for Aboriginal and Torres Strait Islander peoples as well as leveraging what we have learned to support the employment of other under-represented groups such as people living

with disability, people from culturally and linguistically diverse backgrounds and LGBTIQ+ people.

Our values



People



Accountability



Integrity



Courage



Excellence



Listening to and recognising our staff

In September 2018 the CCC again participated in the Working for Queensland Employee Opinion Survey (WfQ survey) with 299 (80 per cent) of staff completing the survey. The survey measures workplace climate across the public sector. The results of the WfQ survey provide a measure of how the CCC is performing against the projects delivered in the People and Culture Strategy.

The 2018 survey results showed improvement, at an organisational level, in all three strategic priorities identified in 2017: agency engagement, organisational leadership, and innovation. Improvement was also noted in five of the seven factors which impact workplace climate:

- Performance and development
- Safety, health and wellness
- Leadership and engagement
- Fairness and trust
- Effectiveness and innovation.

Of the two remaining factors, one remained the same as 2017 (my job), and one decreased by one per cent

(people and relationships). Overall, the CCC performed better in all aspects in comparison to the wider Queensland public sector. These results are reflective of the effort placed into delivering on divisional action plans in response to the 2017 WfQ survey results. Some of the key actions undertaken were:

- establishing the 1CCC Values and Culture Group to guide the development and implementation of the CCC's values and embed the 1CCC narrative, which describes our culture
- building leadership capability through development programs, experiential learning and the mentoring program
- creating new internal communication channels to keep our staff informed and connected
- improving the way we do business internally through improved work processes, a revised operational framework, commencing the development of an integrated case management system, and the provision of new permanent frontline resources where they are needed.



Above: The CCC's 2018–19 PAICE Awards winners. From left to right: Shameer Ummer, Veronica Alaniz, Justin Stewart, David Caughlin and Romany Woodhouse. Absent: Lisa Hungerford.

Recognising our staff

The CCC's online staff recognition tool—PAICE—allows staff to thank and recognise their peers who have demonstrated the 1CCC values of People, Accountability, Integrity, Courage and Excellence. PAICE helps bring the CCC's values to life and encourages an inclusive, engaged and professional workforce. The 1CCC PAICE awards were held in June 2019 with staff across the CCC recognised for their work and commitment to the CCC's values. We value all our staff and the work they do.

A total of 143 individuals and 66 teams were recognised by their peers via PAICE over the last year.

2018–19 PAICE Awards individual winners

People Award –

Justin Stewart, Corporate Services

Accountability Award –

Lisa Hungerford, Corporate Services

Integrity Award –

Romany Woodhouse, Strategy, Innovation and Insights

Courage Award –

Veronica Alaniz, Financial Investigations

Excellence Award –

David Caughlin, Legal Services

All-Rounder Award –

Shameer Ummer, Corporate Services

Focus area | Improving organisational performance

Connecting with others

Community engagement

We know more can be done to deliver greater respect and trust between the CCC and Aboriginal and Torres Strait Islander peoples. We value opportunities to listen and learn, and to hear firsthand from traditional owners, Elders and other community members about their needs in relation to criminal justice and good governance in public office. For this reason, the CCC remains committed to “listening tours” across regional and remote parts of the State. In 2018–19 the CCC Chairperson, CEO and other senior staff visited a number of communities including Wujal Wujal, Hopevale, Northern Peninsula Area Shire Council, Aurukun, Mapoon and Napranum. Our listening tours will continue through 2019–20.

NAIDOC Week

The 2018 NAIDOC Week theme was “Because of her, we can!” which celebrated the active and significant roles that Aboriginal and Torres Strait Islander women play within communities. The CCC supported NAIDOC Week through a range

of activities including hosting a stall at the Musgrave Park Family Fun Day in Brisbane, participating in a touch football game with representatives from the Aboriginal and Torres Strait Islander Community Health Service (ATSICHS) at New Farm Park, and hosting an internal event with guest speaker Dr Ruth Link, Senior Manager, Portfolio and Program Management Advisory and Indigenous Sector Practice, Ernst & Young.

National Reconciliation Week

In May 2019 the CCC celebrated National Reconciliation Week (NRW). As part of our commitment to hearing the experiences and stories of Aboriginal and Torres Strait Islander peoples, we invited guest speaker, Professor Bronwyn Fredericks, the Pro-Vice Chancellor (Indigenous Engagement) at the University of Queensland, to address staff at an internal forum.

Professor Fredericks shared some of her personal experiences and spoke to the importance of truth and courage when embedding reconciliation within organisational processes. Professor Fredericks challenged us to increase our efforts while advocating for change that will hold enduring value.



Above: CEO Jen O’Farrell, and guest speakers, Gaja Kerry Charlton and Professor Bronwyn Fredericks, at our National Reconciliation Week event.

International Women’s Day

CCC staff participated in a Public Safety International Women’s Day (IWD) event by wearing purple and white colours on 18 January 2019 to raise awareness about women’s issues and support for the charity, Hummingbird House, the charity of choice for this year’s IWD event.

To celebrate International Women’s Day on 8 March 2019, 34 staff including the Chairperson and CEO attended the Public Safety International Women’s Day event hosted by the Public Safety Business Agency. The event provided an excellent opportunity to recognise the many women who keep our community safe every day.



Legal Walk

Thirty CCC staff participated in the 2019 Queensland Legal Walk on 14 May 2019 to raise funds for LawRight, an independent, not-for-profit, community-based legal organisation co-ordinating the provision of pro bono legal services for Queenslanders most in need, including the homeless, victims of domestic violence and self-represented litigants.

Generous Jeans Friday

Generous Jeans Friday is an initiative of our Corporate Services Division to connect and contribute to our local communities. \$7,471.40 has been raised since the commencement of this initiative, with \$943.40 being raised in 2018–19 for the following charities:

- Orange Sky Laundry
- The YMCA Schools' Breakfast Program
- Rural Aid
- Downs and West Community Support
- Disabled Sports Association "Changing Lives Through Sport"
- Father Chris Riley's Youth off the streets
- St Vincent De Paul's North Queensland Flood Appeal
- Legacy Queensland.

Delegations

The CCC hosted two delegations during 2018–19. In March 2019 staff from CCC's Integrity Services met with representatives of Pacific Islands integrity agencies, including the Samoa Office of the Ombudsman, the Samoa Audit Office and the Ombudsman Commission of Papua New Guinea. The CCC also hosted a delegation of senior police officers from Hong Kong in June 2019.

CCC Connect

In October 2018 the CCC launched an eNewsletter to improve how we engage with our stakeholders. CCC Connect provides updates on our work and fills a gap between media releases and our other publicly available performance reports. It's distributed quarterly or when we have significant matters to report on.

Stakeholder Engagement Strategy

Stakeholder engagement is a critical capability for the CCC. A two-year strategy was developed in 2018–19 to guide the delivery of improved stakeholder-centric engagement. We will be focusing on improving our engagement with complainants, law enforcement, the public sector and Queenslanders. Our aim is to improve the understanding of our work by progressively enhancing our engagement activities so our stakeholders are informed, educated and ultimately empowered to act.

i

Social media and website statistics as at 30 June 2019



Twitter

913

followers



Facebook

1140

followers

1058

page likes



CCC website

433,793

total page views

Focus area | Improving organisational performance

CCC Innovate Reconciliation Action Plan

The CCC launched its first Innovate Reconciliation Action Plan (RAP) in March 2019 following endorsement by Reconciliation Australia. The RAP provides a framework for designing and delivering unique and practical services to support Aboriginal and Torres Strait Islander Queenslanders, and to support the national reconciliation movement.

Our vision is to partner with Aboriginal and Torres Strait Islander peoples to form lasting relationships based on mutual trust, respect and understanding in order to support our commitment for all Queenslanders to feel safe in the communities in which they live.

RAP outcomes in 2018–19

The CCC's Innovate RAP January 2019 – December 2020 includes 15 action areas with more than 70 deliverables.

This year we:

- Formed a Reconciliation Working Group to oversee the development and launch of the RAP
- Included RAP awareness in our staff induction program
- Developed a Welcome to Country information guide for staff
- Updated our Welcome to Country and Acknowledgement of Country policy and procedure
- Delivered a cultural awareness training program for Corruption staff in collaboration with Banaam consultancy firm
- Continued our “listening tours” in regional Queensland
- Introduced a new process to advertise all vacancies in Aboriginal and Torres Strait Islander media
- Updated our job advertisements to encourage applications from Aboriginal and Torres Strait Islander peoples
- Created a custom-built installation to display our RAP artwork, which had been commissioned from Queensland artist, Leigh Harris, indigenous studios
- Supported Indigenous owned and managed catering businesses when celebrating significant events
- Developed a cultural calendar to promote significant cultural events.



Above: We are proud to display our RAP artwork in a custom-built installation in our reception area.

Over the next 12 months we'll focus on developing employment pathways such as internships or other partnerships in collaboration with government departments and universities for Aboriginal and Torres Strait Islander peoples. One of our challenges will be to meet the Queensland Public Service target

of 3 per cent for Aboriginal and Torres Strait Islander staff. Currently, only 0.5 per cent of our workforce identifies as Aboriginal and Torres Strait Islander.

We will also look at further ways to implement cultural awareness training for staff, as well as supporting cultural and immersion experiences. In addition, we will establish an external Aboriginal and Torres Strait Islander Community Reference Group and develop an engagement strategy to work more effectively with our Aboriginal and Torres Strait Islander stakeholders.



Developing our systems

From 1 July 2018 the CCC received funding of \$16.3 million over four financial years, and approximately \$3.9 million ongoing funding per year, to address a range of organisational ICT risks and invest in new technology and digital tools.

Supporting a digital workplace

In late July 2018 the CCC established its Digital Workplace Program (DWP) to create a secure and simplified digital working environment, including the introduction of integrated and intuitive digital tools to enhance the delivery of critical frontline services.

The CCC's investment in its Digital Workplace Program is to deliver enhancements in three key areas:

- **Organisational resilience** – transitioning to Cloud services from traditional, on-premises servers for information storage and software support, which will preserve our information with secure and sustainable backup
- **Forensic computing** – improving the forensic computing process and leveraging new, Cloud-based technologies
- **Online intelligence gathering** improving the process and security of online intelligence gathering.

Other expected long-term benefits of this transformational program include:

- contemporary, flexible and secure ICT infrastructure services that can simply and cost-effectively scale with the future needs of the CCC
- heightened security and alignment with Whole-of-Government ICT policies
- access to Cloud technologies such as Artificial Intelligence, Big Data and Business Intelligence, which will improve the CCC's ability to investigate organised crime and corruption
- improved data-driven decisions through access to business intelligence tools
- more financially sustainable investment in contemporary digital technologies

- anywhere, anytime access to our network on CCC devices with internet connection
- access to multiple applications with one login ("single sign-on")
- access to contemporary technologies and standardised business applications, including the latest Microsoft Office applications.

Achievements during 2018–19 included:

- endorsement of Microsoft Azure as the preferred Cloud solution
- implementation of new forensic computing technology, which will enable self-service acquisition of evidence from mobile devices
- commencement of the CCC's transition to Cloud storage and migration to Office 365.

The CCC will continue to implement its DWP throughout 2019–20. Planned key milestones include the migration of email to Office 365, the delivery of forensic computing technology improvements and the completion of the CCC's transition to the Cloud.

Program Unify

Program Unify is a significant program of work focused on improving organisational performance and investigative outcomes. Expected long-term benefits and outcomes include:

- streamlined processes and decision-making activities resulting in fewer unnecessary tasks and more efficient work practices; and
- improved cohesion and interaction across the CCC resulting in improved responsiveness and timeliness.

Program Unify encompasses the following three projects: case management, business improvement, and data analytics.

Case management

The implementation of a new integrated case management system (CMS, Nexus) is a response to the 2013 Keelty Review and a key component of Program Unify.

Nexus will bring numerous benefits to how we carry out our work and increase our efficiency and cost-effectiveness. Nexus replaces four existing systems and will be the single point of truth for operational performance reporting. System functionality of Nexus includes workflows for better coordination and collaboration

Focus area | Improving organisational performance

across the agency and support for legislative compliance obligations.

Since the allocation of \$4.3 million of government funding in 2016–17, a number of milestones have been achieved. The first milestone was an analysis of the current state of our systems and processes, and documentation of our high-level business requirements for the new system. The second and third milestones were the identification and acquisition of our preferred solution, Nexus.

In 2018–19 the project's procurement process concluded and a contract was awarded to our preferred supplier. System configuration of Nexus commenced, as did our data migration activities. Training and change management activities will be undertaken following completion of system configuration and testing.

Although initially scheduled for deployment in mid-2019, we have deferred the release of Nexus until 2020 to accommodate continuous business improvement activities and working more collaboratively with our preferred supplier to achieve a fit-for-purpose solution.

Governance, Risk and Compliance system

In 2018–19 the CCC initiated a project to implement a new Governance, Risk and Compliance (GRC) system which will assist us to manage our complex reporting and legislative compliance obligations.

The GRC system will assist in:

- improving efficiency in managing policies, risks, compliance and associated actions
- reducing risk through increased compliance and improved risk treatment and overall risk posture
- supporting strategic performance through greater oversight and management of information that better informs decision-making.

This new system is to be rolled out in the first half of the 2019–20 financial year.

Data analytics

Data is an essential and valuable asset of the CCC. Data analytics enables the CCC to harness, examine and evaluate data from a range of disparate sources.

By converting data into insights, the CCC can better examine core issues, identify risks, predict patterns, and respond in real time to emerging issues. We can also evolve to becoming an insight-driven agency.

Our investment in data analytics continues to build our investigative and prevention capabilities in such areas as technology-enabled crime and corruption risk.

In 2018–19 the CCC collaborated with CSIRO's Data61 on two data analytics projects. The first project demonstrated the capacity of data-driven approaches to identify cases of corruption and indicators of corruption risk. The second project tested the feasibility and utility of interrogating publicly available information about illicit commodities from dark web forums and marketplaces.

In October 2018 the CCC engaged a data scientist to support the evolution of the agency's analytics capability. Dashboards related to HR and finance data were developed and are undergoing testing.

In 2019–20 the CCC will continue to build its data analytics capability in line with the agency's strategic priorities.





04 Governance

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Our Commission

The Commission is responsible for providing strategic leadership and direction for the performance of the CCC's functions and the exercise of its powers by the Chairperson, CEO and other staff.



Mr Alan MacSporran QC Chairperson

Appointed on 1 September 2015

Mr MacSporran has a Bachelor of Laws from the University of Queensland. He was admitted as a Barrister-at-law in 1978 and was later appointed Senior Counsel in 2005 and Queen's Counsel in 2013. Prior to joining the CCC he practised as a barrister for 38 years, his career spanning periods as a Crown Prosecutor and working on coronial inquests and commissions of inquiry. From 2004 to 2009 Mr MacSporran served as the part-time Parliamentary Crime and Misconduct Commissioner. Mr MacSporran is a graduate of the Australian Institute of Company Directors.



Mr Sydney Williams QC Deputy Chairperson

Appointed on 1 November 2014

Mr Williams has Bachelor degrees in Commerce and Law from the University of Queensland. He was admitted as a Barrister-at-law in September 1975 and as a barrister in Papua New Guinea later that year. Mr Williams was appointed Queen's Counsel in 1986. Since then he has been in continuous practice as a barrister, focusing on insurance and personal injury litigation.



Ms Deborah Holliday Commissioner

Appointed on 10 March 2017

Acting appointment, 11 November 2016 to 10 February 2017

Ms Holliday has a Bachelor of Laws (Hons) from Bond University and was admitted as a Barrister-at-law in 1994. Her early career included 24 years working in the Office of the Director of Public Prosecutions (Queensland) before joining the private bar. Ms Holliday was a Principal Crown Prosecutor for 15 years. She was seconded to the Inquiry Legal Representation Office and represented persons adversely named in the Carter and Connolly/Ryan Commissions of Inquiry. Ms Holliday's practice includes providing high-level legal advice and appearing as counsel for government departments and the Legal Services Commission.





Mr Marshall Irwin Commissioner

Appointed on 1 March 2016

Mr Irwin has a Bachelor of Laws from the University of Queensland and was admitted as a Barrister-at-law in 1976. His early career included 12 years as a senior prosecutor in Queensland and five years investigating crime and corruption, both with the Fitzgerald Inquiry and as the first General Counsel to the newly established Criminal Justice Commission. From 1998, he was also a board member for the National Crime Authority in Melbourne for a period of four years. Between 2003 and 2008 Mr Irwin was Queensland's Chief Magistrate. Until his retirement in 2014, Mr Irwin presided over District Court proceedings throughout remote and regional Queensland.

Appointment criteria for Commissioners

The *Crime and Corruption Act 2001* requires that the CCC Chairperson and Deputy Chairperson must have served as, or are qualified to serve as, a judge of the Supreme Court of any state, the High Court or the Federal Court. The Act also requires that Ordinary Commissioners must have the qualifications, experience or standing appropriate to help the Commission perform its functions.

Commissioners are appointed by the Governor-in-Council for a maximum of five years, with the provision of a further five-year re-appointment as long as the person does not hold that office for more than ten years in total. The Governor-in-Council may appoint an acting Chairperson or temporary part-time Commissioner during a period of absence or when there is a temporary vacancy in the role. The Chairperson may appoint for a temporary period a sessional commissioner to conduct hearings, examine witnesses, or undertake specific investigations relevant to the Commission's functions.

Professor Anne Tiernan Commissioner

Appointed on 10 March 2017

Acting appointment, 11 November 2016 to 10 February 2017

Professor Tiernan has a PhD from Griffith University, Bachelor of Arts (from the Australian National University) and a Bachelor of Commerce (Hons, First Class, Griffith). She is the Dean (Engagement) for Griffith Business School at Griffith University. Professor Tiernan is a political scientist, with earlier careers in government, and in teaching and consultancy.



Professor Tiernan is a National Fellow of the Institute of Public Administration Australia and a Fellow of the Australian and New Zealand School of Government (ANZSOG). She is also Chair of the Queensland Independent Remuneration Tribunal. Professor Tiernan was previously Assistant Commissioner, Collaboration for the Public Service Commission, Member of the Public Records Review Committee of the Queensland State Archives, the Board of Commissioners of the Queensland Public Service Commission and a Director of St Rita's College Ltd.

Our Commission

Table 7. Commission meetings from 1 July 2018 to 30 June 2019

Commissioner	Position	Meetings attended	
		Ordinary meetings	PCCC meetings
Mr Alan MacSporran QC	Chairperson	11	4
Mr Sydney Williams QC	Deputy Chairperson	11	4
Mr Marshall Irwin	Ordinary Commissioner	10	3
Professor Anne Tiernan	Ordinary Commissioner	10	3
Ms Deborah Holliday	Ordinary Commissioner	9	3
Ex Officio members			
Ms Jen O'Farrell ¹	Chief Executive Officer	8	3
Ms Sharon Loder ²	Senior Executive Officer (Crime), A/Senior Executive Officer (Corruption)	11	4
Mr Paul Alsbury	Senior Executive Officer (Corruption)	9	3
Ms Carolyn Bradley ³	A/Executive Director, Strategy, Innovation and Insights, Executive Director, Strategy and Corporate Services	6	2
Detective Chief Superintendent Cheryl Scanlon APM	Executive Director, Operations Support	10	
Ms Angela Pyke ⁴	Director, Financial Investigations	1	
Ms Sharon Raabe ⁵	A/Director, Financial Investigations	9	2
Mr Rob Hutchings ⁶	Director, Legal Services, A/Senior Executive Officer (Crime)	9	1
Dr Rebecca Denning ⁷	A/Executive Director, Corporate Services, Director, Policy and Research	10	1
Mr Barry Adams	Director, Intelligence	9	

Notes:

1. Ms O'Farrell's attendance during the period 1 July 2018 to 23 August 2018 was in her capacity as Acting Chief Executive Officer.
2. Ms Loder's attendance during the period 10 June 2019 to 28 June 2019 was in her capacity as Acting Senior Executive Officer (Corruption).
3. Ms Bradley's attendance during the period 5 November 2018 to 31 March 2019 was in her capacity as Executive Director, Strategy and Corporate Services. From 1 April 2019, she attended in her capacity as Acting Executive Director, Strategy, Innovation and Insights.
4. Ms Pyke's resignation took effect 17 August 2018.
5. Ms Raabe's acting appointment as Director, Financial Investigations was from 13 August 2018 to 31 May 2019.
6. Mr Hutchings' acting appointment as Senior Executive Officer (Crime) was from 10 June 2019 to 28 June 2019.
7. Dr Denning's attendance during the period 1 July 2018 to 31 March 2019 was in her capacity as Director, Policy and Research. From 1 April 2019, she attended in her capacity as Acting Executive Director, Corporate Services.



Our Executive Leadership Team

The Executive Leadership Team (ELT) supports the Commission by providing advice, leading discussions and making recommendations on strategic and operational matters critical to the CCC's performance. The Chairperson is a member of the ELT. Details of the other ELT members as at 30 June 2019 are provided below.

Ms Jen O'Farrell Chief Executive Officer



LLB (Hons), BBus, BCom (admitted as a solicitor in 2008), GAICD
Appointed on 24 August 2018

Responsible for the administration of the commission, including managing the overall operations and resources.

Jen has considerable experience in the public and private sectors, having held senior positions in Housing, Emergency Services, Transport and Main Roads and as a lawyer with Corrs Chambers Westgarth.

Ms Sharon Loder Senior Executive Officer (Crime)



LLB, BBus, LLM (admitted as a Barrister-at-law in 2000), GAICD
Appointed on 3 July 2017

Responsible for the Crime division that works to combat and prevent major crime, including organised crime, paedophilia, terrorist activity, serious crime and recovery of the proceeds of crime.

Sharon has held senior and executive positions in law enforcement or integrity commissions throughout Australia, working with the NSW Independent Commission Against Corruption (ICAC), the Queensland Crime and Misconduct Commission (CMC) and the QPS.

Mr Paul Alsbury Senior Executive Officer (Corruption)



LLB, BBus, LLM (admitted as a Barrister-at-law in 2001), GAICD
Appointed on 3 October 2017

Responsible for the Corruption division that works to raise the standard of conduct in the Queensland public sector and ensure that complaints about corruption are dealt with appropriately, including by investigating allegations of serious and systemic corruption.

Paul is highly experienced in the Queensland public service, with service with the Office of the Director of Public Prosecutions, the Department of Transport and Main Roads, and the QPS.

Detective Chief Supt. Cheryl Scanlon APM Executive Director, Operations Support



B. Adult and Vocational Education, G.Cert Applied Management
Appointed on 22 January 2018

Responsible for the Operations Support Unit, including witness protection, technical surveillance, physical surveillance and forensic computing.

Cheryl is a highly experienced police officer with the QPS and has been instrumental in driving significant government reforms in the area of child protection and social services before commencing with the CCC.

Our Executive Leadership Team (ELT)



Dr Rebecca Denning A/Executive Director, Corporate Services

B. Criminology & Criminal Justice (Hons), PhD, GAICD • Appointed on 17 February 2012

Responsible for the Corporate Services division that provides performance reporting, governance, financial management, business systems support, security, ICT, facilities and procurement services. Rebecca has extensive policy, research and management experience, having worked in State and Commonwealth agencies, predominantly related to the criminal justice sector.



Ms Carolyn Bradley A/Executive Director, Strategy, Innovation and Insights

BCom/LLB(Hons), CA (admitted as a solicitor in 2009), GAICD • Appointed on 5 November 2018

Responsible for the Strategy, Innovation and Insights division that drives innovation, generates and turns insights into action, builds critical capabilities, and implements transformational change. Carolyn is a senior leader in strategic, operational, and cultural management and change, with over 14 years professional experience across multiple geographies and operating environments, including Deloitte.

Appointment criteria for the Chief Executive Officer

The Chief Executive Officer is appointed by the Governor-in-Council for a maximum of five years with the provision of renewal for a further five years, with no more than ten years in total. To qualify under the CC Act for appointment as the Chief Executive Officer the person must have qualifications, experience or standing appropriate to perform the functions of the Chief Executive Officer.

The role of the ELT

The ELT is responsible for:

- Strategic oversight:** Understanding the CCC's operating environment, identifying strategic issues and steering the organisation towards achievement of strategic goals and objectives.
- Corporate leadership:** Guiding strategic and operational activities, setting the tone for how things are done and driving good governance through oversight of the CCC's governance framework.
- Portfolio assessment:** Setting priorities in alignment with strategic goals and objectives, approval of investigations and projects (including resource allocation). This also includes assessing complaints categorised as "High", in accordance with the Complaint Categorisation and Prioritisation Model.
- Portfolio review:** Analysing business activity and optimising the focus of CCC investment by regular oversight of approved investigations and projects.

Some members of the ELT are also members of other CCC governance committees, specifically the:

- Budget Management Committee
- Organisational Safety and Wellbeing Committee

- Audit and Risk Management Committee (see page 73).

As members of these committees, they consider issues relating to resourcing, risk, quality assurance and business improvement.



Our staff

The CCC employs a diverse mix of professionals including lawyers, accountants, investigators, researchers, intelligence analysts and support officers, and engages on secondment a cohort of police officers from the QPS. As at 30 June 2019, our workforce equated to 341.46 full-time equivalent (FTE) staff^{1,2}. Compared with 30 June 2018, our FTEs have increased by 8.

Table 8. Full-time equivalents by division

Division	FTE ¹
Corruption	75.65
Crime	58.08
Intelligence	41.59
Legal Services	22.59
Office of the Commission	10.00
Operations Support	53.90
Corporate Services	63.15
Strategy, Innovation & Insights	16.50
Total	341.46²

Notes:

1. Full-time equivalent refers to all permanent, temporary and casual staff (including Commissioners).
2. FTE figures in this section are as at 28 June 2019. This differs slightly from the CCC's audited Financial Statements which include FTE figures as at 21 June 2019.

Figure 3. CCC staffing

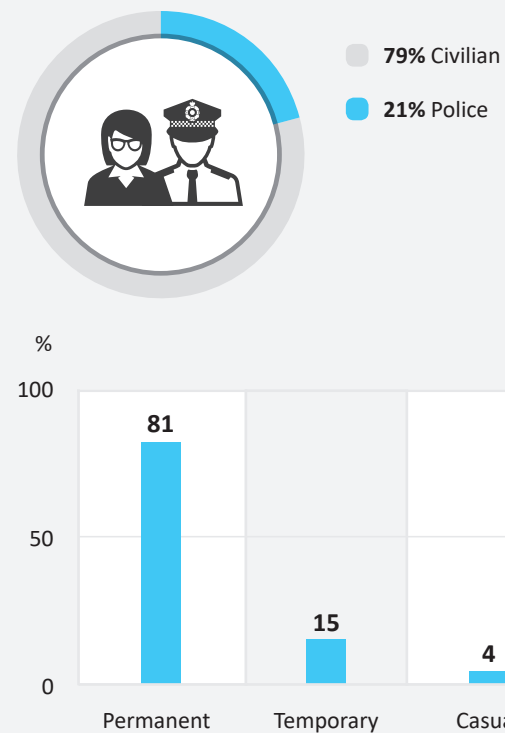
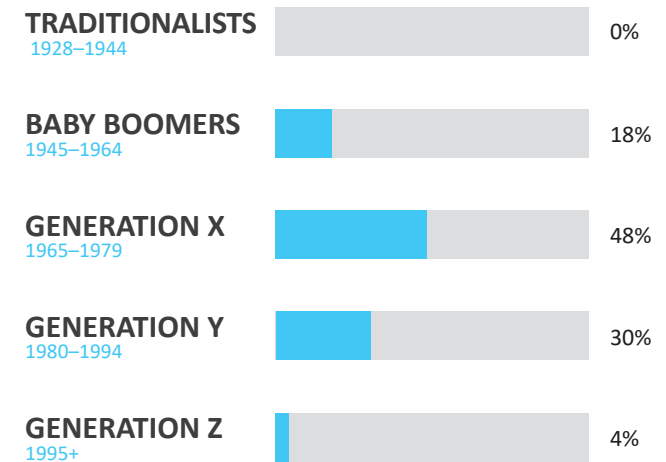


Figure 4. Generational groupings

Our workforce spans across four of the five generational groups. The average age of our workforce is 43.8 years of age. This is consistent with the wider Queensland public service's reported average of 44.3 years (as at December 2018).



Our staff

Gender profile

The CCC's overall gender balance is currently 51.1 per cent women and 48.9 per cent men. Women comprise 59.9 per cent of our permanent, non-police workforce (See Figure 5).

Women fill 51 per cent of all positions at and above AO7 and equivalent classifications, and 44 per cent at the senior executive levels (which include Senior Executive Staff and Commissioners) (see Figure 6).

Figure 5. Civilian vs Police by gender

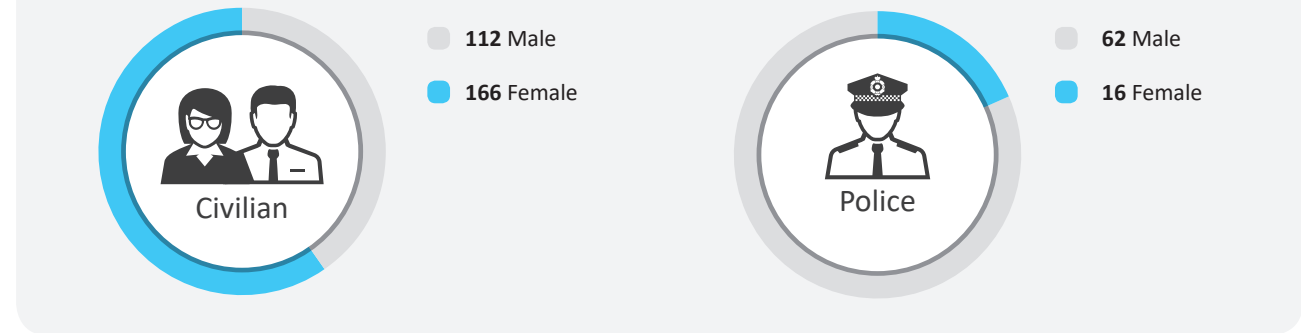
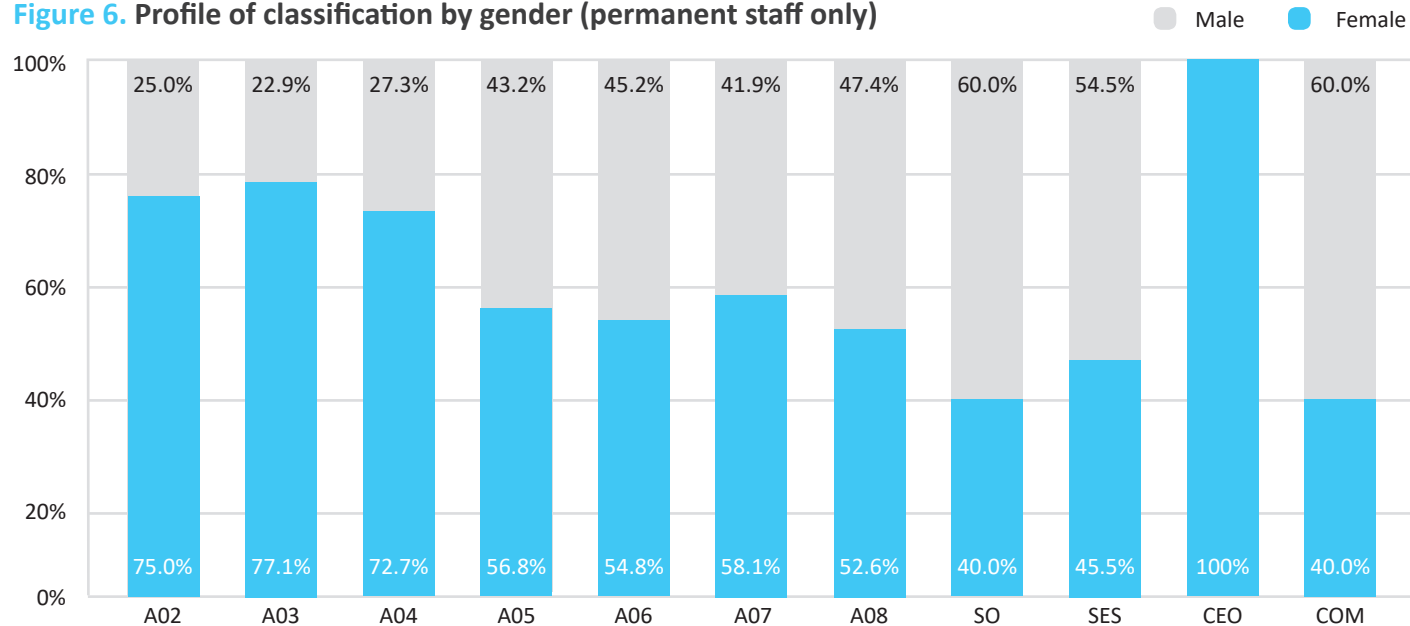


Figure 6. Profile of classification by gender (permanent staff only)



Notes:

1. AO data ranges include equivalent classifications.
2. Salaries range from \$46,428 (AO2) to \$250,038 (SES).



Equity and diversity measures

Of our civilian workforce, 74 per cent are employed on a permanent basis. This is comparable with the wider Queensland public service's reported figure of 80.08 per cent (as at December 2018). In our workforce 0.5 percent identify as being from an Aboriginal or Torres Strait Islander background, 2.9 per cent are people living with a disability and 9.7 per cent identify as being from a culturally or linguistically diverse background (see Table 9).

Staff retention

The permanent employee retention rate was 83.84 per cent in 2018–19 (compared with 89.24 per cent last year).

The permanent employee separation rate was higher compared to last year at 16.16 per cent (see Figure 7). This increase can be attributed to both natural attrition and labour market dynamics. An ageing population is likely to continue to impact separation as the 18 per cent of our workforce who are baby boomers continue to transition to retirement. Other factors that impact our separation rate include broader trends towards shorter tenure and increased mobility.

The CCC's long service rate is high, with 34.6 per cent of our permanent staff

having ten or more years service and a further 24.17 per cent of staff having five or more years service.

Early retirement, redundancy and retrenchment

No redundancy, early retirement or retrenchment packages were paid during the period.

Supporting ethical conduct

The CCC's Code of Conduct provides guidance to staff on appropriate behaviour consistent with the principles outlined in the *Public Sector Ethics Act 1994*:

- integrity and impartiality
- promoting the public good
- commitment to the system of government
- accountability and transparency.

These principles underpin the values detailed in our strategic plan. New staff are provided with the CCC's Code of Conduct upon commencement and complete an eLearning module in their first week of employment. Existing staff complete regular refresher training. The CCC's Governance Framework also outlines the values, attitudes and behaviours expected of all CCC staff.

Table 9. Equity and diversity profile

Group	Percentage of permanent staff
Women	60*
Men	40*
Aboriginals and Torres Strait Islanders	0.5**
People with a disability	2.9**
People from non-English-speaking backgrounds	9.7**

* Permanent civilian staff

**Data based on employees who have voluntarily disclosed this information to the CCC.

Figure 7. Staff separation



Notes: Our separation rate excludes the separation of seconded police officers who returned to the QPS at the conclusion of their secondment. We are unable to compare this with the public service annual separations because the Public Service Commission provides figures based on separations from the public service as a whole and not on separations from individual public sector agencies. By contrast, the CCC counts as a separation any permanent or contracted staff member leaving the agency, whether or not the person moves to another public sector agency.

Our staff

Workplace health and safety

The CCC maintains a comprehensive workplace health and safety program consistent with the *Work Health and Safety Act 2011*. In 2018–19, the CCC had 13 reported workplace health and safety incidents and two WorkCover claims (see Figure 8). The CCC also provided rehabilitation and return-to-work programs for staff where required.

Wellbeing

The work of the CCC can sometimes be challenging, and we remain committed to enhancing the wellbeing of our staff. Wellbeing is a key issue, and we strive to ensure that our staff are happy, productive and motivated at work.

As part of the Wellbeing Plan for 2018–19, the CCC has:

- Hosted the inaugural “Health Start Day” in July 2018
- Hosted a Men’s Health Breakfast in November 2018. The breakfast provided an opportunity for three senior officers to share their strategies for mental wellbeing.

- Delivered staff education sessions on topics including positive communication in the workplace, creating financial wellbeing and mentally healthy workplaces, navigating emotionally difficult work environments, tackling difficult conversations, and maintaining motivation.
- Hosted a lunch in celebration of Harmony Day on 21 March 2019.
- Introduced a CCC Wellbeing Blog on topics relevant to staying physically and mentally fit and healthy.

The CCC supports flexible work practices that help staff balance their work and home lives. Our flexible working arrangements incorporate options such as part-time work, flexible start and finish times, access to accrued time off, compressed working arrangements and flexible leave options, including “purchasing” additional leave through salary averaging. Currently 59 per cent of CCC staff use at least one type of flexible work option with the most popular being flexible hours through accrued time, flexible start and finish times and telecommuting.

Since August 2017 the CCC has partnered with Converge International to provide our

Employee Assistance Program. Converge International supplies a confidential personal coaching and counselling service which can be accessed through self-referral or management referral. CCC staff can access up to four sessions per year (per issue) for themselves or an immediate family member. The CCC actively promotes the services of Converge International through the 1CCC Induction Program and published online materials. The CCC also maintains a regulated and proactive psychological assessment program provided by Advanced Personnel Management

Australia, for staff who perform duties that may impact their wellbeing.

Consultative forum

The CCC engages with our people formally through a consultative committee with participation from both CCC staff and management. Both the CCC Chairperson and Chief Executive Officer are active participants of this committee which meets regularly to raise and discuss industrial or employee relations issues.

Figure 8. Workplace incidents and WorkCover claims for CCC staff



Staff Induction

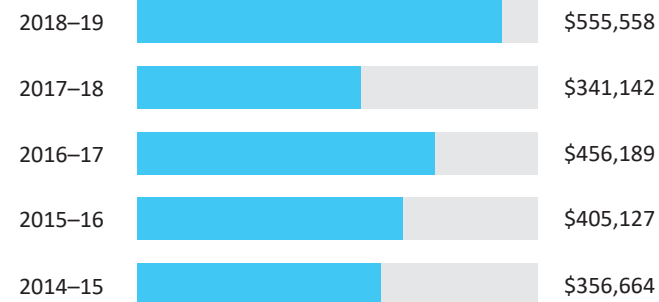
The CCC delivers a quality induction program to provide staff with the knowledge they require to do their job effectively, along with an understanding of how their role aligns with the priorities of the organisation. New staff receive comprehensive information about the 1CCC values, culture, and strategic and operational priorities when they first commence work at the CCC. During their first week, new CCC staff undertake a range of mandatory eLearning programs covering topics such as the code of conduct, workplace health and safety and information security. This is followed by a quarterly corporate induction program, hosted by the Values and Culture Group, which provides an opportunity to meet and hear from senior leaders across the organisation.

Supporting staff development

The CCC offers employees professional and developmental experience and support. This year the CCC helped 27 staff undertake tertiary study by granting study leave and providing financial assistance toward course fees. Courses being undertaken by our staff include Bachelor of Law, Bachelor of Counter Terrorism Security and Intelligence, Bachelor of Criminology and Justice, and certified practising accountant/chartered accountant programs.

To assist staff with their ongoing professional development and to ensure that specialist staff maintain and enhance their skills, CCC officers were given opportunities to attend a range of workshops, seminars and conferences on topics including government law, investigative interviewing, and leadership in intelligence. We also reimbursed 33 staff between 50 and 100 per cent of their professional membership fees.

Figure 9. Training expenditure for developing CCC staff



Governance and oversight

The CCC's governance framework establishes the principles, behaviours and processes that guide our work. Good corporate governance not only supports good decision-making, it helps us identify ways to improve our business processes and internal culture.

Our governance framework includes the following elements:



Leadership

We communicate a shared vision for the future and our decisions are guided by our strategic objectives



Culture

We are a values-led agency and we work together to achieve results for the people of Queensland



Expectations

We set clear expectations for all staff, supported by robust internal controls



Risk management

We actively manage risk and maximise opportunities for improvement



Service

We value our customers and use our resources to engage and innovate



Performance management

We are accountable for our performance, as individuals and as 1CCC

Risk management

The CCC recognises that risk management is integral to good governance and effective management. This year, the CCC supported a range of development opportunities including an intermediate risk management workshop for staff, and the formal accreditation of one of our staff as a Certified Practising Risk Manager with the Risk Management Institute of Australasia.

We also reviewed our strategic risks and considered opportunities to build risk management capability across the agency. Our strategic plan for 2019–23 now clearly identifies our strategic risks and opportunities.

In recognising the need to keep ahead of change, the CCC has been working to modernise its systems to support business improvement, safeguard its information assets, and embed a culture of compliance. Progress is being achieved through a number of initiatives including the ongoing development of a case management

system (Nexus) which is expected to improve agency responsiveness, build data analytics capability, and enhance investigation capabilities.

In tandem with Nexus, in March the CCC procured a new Governance, Risk and Compliance (GRC) system. The GRC will replace the use of Excel spreadsheets for managing risk, automate processes for monitoring risk and compliance actions, and provide enhanced reporting. The GRC project team has been working with the supplier to tailor the system to our requirements. This new system is to be rolled out in the first half of the 2019–20 financial year. It is expected that the GRC will reduce risk through increased compliance, improved risk treatment and reporting, and enhance the agency's overall risk posture.

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What are our strategic risks moving forward?

In order to meet our objectives we will manage strategic risks and promote opportunities to strengthen our capabilities by:

Keeping ahead of change:

Modernising our systems and adapting our organisational agility to innovate and lead change

Actively engaging with our stakeholders:

Working in partnership with others to inform, educate and empower our key stakeholders

Maintaining effective governance:

Growing a strong governance culture to support compliance and safeguard our information assets

Future-proofing our workforce:

Empowering our people to develop critical capabilities and to live the CCC values

Promoting a safe work environment:

Actively supporting a safe and healthy work environment

Risk Maturity Assessment

In 2018 the Queensland Audit Office (QAO) conducted a risk maturity assessment of the CCC's risk management framework. The final report was provided to the CCC in early 2019.

The assessment included a high-level review of the CCC's risk management documentation, including policies, procedures and underlying documents such as risk registers.

The report outlines the QAO's findings and recommendations for improved risk management maturity against the six key attributes of risk management within the QAO risk management maturity model.

The findings rated the current state of maturity for the CCC risk management process as between "Developing" and "Established".

The QAO's report was provided to the Audit and Risk Management Committee (ARMC) in March 2019. Recommendations made by the QAO were accepted by the ARMC. Work to action the recommendations will commence in 2019–20.

Security framework

Information security

On a global scale, threats to confidential information held by agencies is growing, with cybercrime and attacks increasing in frequency. Within this context, effective information security is fundamental to the management and protection of information, and must be integrated into routine business activities. In 2018–19, the CCC developed a new Information Security Management Framework. The framework is built around the concept of continuous improvement and aligns with the Queensland Government's Information Security Policy (IS18:2018) and the international Information Standard ISO/IEC 27001. The framework identifies policies and processes to manage information security risks and threats, and outlines the specific roles and responsibilities of all staff. The framework addresses the governance and management of ICT and information assets, services and infrastructure. Work to achieve compliance with IS18:2018 will continue in 2019–20.

This year, the CCC also reviewed its information security classification policy. The policy ensures that staff are made aware of their obligations to correctly classify documents so that information is labelled, handled and protected in an appropriate

manner throughout its lifecycle. In 2019–20, the CCC will roll out staff training on information security and classification.

Audit and Risk Management Committee

The ARMC provides independent assurance on risk, internal controls, compliance with legislative and regulatory requirements, and the financial management of the CCC. The ARMC is a five-person committee consisting of the CEO (the Commission's nominee), two internal members and two external members, one of whom is the Chair (see Table 10, page 74). The Chairperson is an ex officio member of the committee. The CCC Internal Auditor and representatives from the QAO have standing invitations to attend ARMC meetings. The ARMC observes the terms of the ARMC charter and has due regard to Queensland Treasury's Audit Committee Guidelines.

During 2018–19 the ARMC provided strategic advice and oversight of:

- the integrity of the CCC's financial statements and internal controls
- compliance with legislative and regulatory requirements
- internal risk management process (as per the previous section on Risk Maturity Assessment)

- fraud and corruption control systems
- business continuity
- the performance of the internal audit function.

Meetings were held on a quarterly basis.



Risk Management frameworks

The CCC has a number of frameworks to assist us in making risk-informed decisions to support the strategic and operational work of the agency.

These include the CCC's:

- Risk Management Framework (aligns to the ISO 3100:2018)
- Fraud and Corruption Control Plan (aligns to AS 8001-2008)
- Information Security Management Framework (aligns QG IS18:2018 and ISO/IEC 27001)

A review of the Risk Management Framework and policies will occur during the implementation and embedding of the GRC into business processes.

Our governance framework

Table 10. Membership of the ARMC

Name	Position	Meetings attended
Mr Peter Dowling AM ^{1,2}	Chair (external)	1
Mr Mike Meintjes ^{1,2,3}	Chair (external)	4
Mr Bruce Barbour ^{1,2}	External member	4
Ms Jen O'Farrell	CEO	4
Ms Sharon Loder	Senior Executive Officer (Crime)	4
Mr Rob Hutchings	Director, Legal Services	2
Mr Geoff Kennedy ⁴	A/Director, Legal Services	2
Ex officio members:		
Mr Alan MacSporran QC	Chairperson	2
Invitees:		
Mr Brendan Clarke	CCC Internal Auditor	4

Notes:

1. Mr Dowling, Mr Meintjes and Mr Barbour were remunerated \$2,000, \$7,250 and \$5,000 respectively.
2. The meeting of 20 August 2018 was chaired by Mr Dowling prior to the end of his term on this date. While all three external members attended this meeting, Mr Barbour's attendance was as an observer with no voting rights.
3. Existing committee member Mr Meintjes commenced as Chair on 21 August 2018.
4. Mr Kennedy's acting appointment as Director, Legal Services was from 26 November to 11 December 2018 and 27 May 2019 to 28 June 2019; in this capacity he attended two meetings.

Internal audit

The internal audit function forms part of the CCC's governance and assurance framework, operating independently of the activities it reviews. The Internal Auditor provides independent advice and assurance to the CCC's executive and the ARMC regarding the effective and efficient use of CCC powers, assets and resources. The Internal Auditor is a qualified FCPA, accredited member of the Institute of Internal Auditors, Government Certified in Fraud Control and a graduate of the Australian Institute of Company Directors.

All audits are risk-based, comprising legislative and financial compliance audits, performance audits, project audits and information technology audits, to ensure that areas of highest risk are addressed in annual internal audit plans. The Internal Auditor reports directly to the Chief Executive Officer and the internal audit function operates under its own charter to ensure that the CCC's policies, procedures, controls and practices are consistent with audit standards and the code of ethics prescribed by the Institute of Internal Auditors' International Professional Practices Framework. The Internal Auditor also has due regard to Queensland Treasury's Audit Committee Guidelines.

A number of internal audits were completed this year, including audits of:

- Vic Roads audit (Information Protection Agreement 2018–19).
- IT external vulnerability testing of the CCC's network
- business continuity plan
- accounts payable and procurement processes
- complaints management.

The Internal Auditor also prepared a three-year Strategic Internal Audit plan and an Annual Internal Audit plan for 2019–22 and 2019–20 respectively. These plans were accepted by the Executive, endorsed by the ARMC and approved by the Commission.

External audit

The CCC's financial statements were audited by the QAO in accordance with the *Financial Accountability Act 2009* and other applicable laws. In 2018–19 the CCC received an unqualified audit report.



Managing our records

The CCC is committed to responsible management of records in line with the requirements of the *Public Records Act 2002*, and the Queensland State Archives' (QSA) Records Governance Policy and approved Retention and Disposal Schedules. We regularly review our records management systems and processes to ensure they are compliant and contemporary.

During the past year we have made a number of changes to our recordkeeping systems, procedures and practices to implement the requirements of the Records Governance policy, which was released in June 2018. We updated existing policies and procedures and introduced two new policy documents. The Vital Records policy and procedure provides guidance on identifying, managing securing and accessing vital records of the CCC. The Metadata Management procedure supports the discovery, administrative control, security, rights management, preservation and use of information that the CCC holds.

We also continued our efforts to promote training and awareness to assist staff understand their record keeping responsibilities. Incoming staff to the

CCC undertake a mandatory eLearning module on Introduction to Recordkeeping. Online records management training is also available to all staff and our Records Management team deliver personalised, one-on-one eDRMS training as required. A new eLearning module on recordkeeping awareness (adapted from the QSA training module) has also recently been developed which will require staff to complete mandatory training on an annual basis.

This training will be rolled out in the first quarter of 2019–20 during which we will also support the changes to the information security classification policy. For more detail, refer page 73.

Retention and disposal of records

The CCC's records are retained in accordance with retention and disposal schedules approved by QSA. In 2018–19, the CCC continued to identify and destroy files, folders and storage containers following a period where the destruction of CCC records was held in abeyance. Our efforts in the past year focused on progressing the destruction of a large volume of Corruption complaints files and administrative files. This multi-year project is due for completion in 2019–20.

Supporting increased digital recordkeeping

In 2018–19 the CCC continued to integrate eDRMS functionality into the CCC's operational processes, in support of our aim to build a digital workplace and reduce reliance on paper-based processes. System enhancements and cooperative software have been embraced to assist CCC staff to move towards a paper-lite workplace.

To assist in the transition to a more digitised approach to recordkeeping, in March 2019 the CCC introduced a Digitisation and Disposal of Records policy and procedure. This policy and procedure reduces the burden that paper-based records place on storage, increases efficiencies across operational areas and enables us to digitise and dispose of physical source public records in a way which complies with the *Public Records Act 2002* and the QSA Records Governance Policy.

Assessing our maturity level

In June 2019 the CCC completed the Building Digital Capability – Records Governance Policy Baseline Survey supplied by the State Archivist. As a voluntary self-assessment tool, the survey assisted the CCC to assess its records and information management maturity against

the minimum requirements of the new QSA Records Governance Policy. The CCC assessed its maturity level to be in the category of "Acceptable/Managed".

Sustainability and resource management

The CCC is located in the North Tower, Green Square Complex, Fortitude Valley, and was the first office development to achieve a 6-star Greenstar Office Design rating from the Green Building Council of Australia. It was the first commercial building in Australia to be awarded a 5-star NABERS (National Australian Built Environment Rating System) whole building energy rating. Green Square was built using recycled steel and plantation timber, and its overall environmental impact has been reduced through its optimised building orientation and its energy-saving technology.

In 2018–19 we remained committed to reducing our environmental impact by:

- Introducing consolidated waste collection points within our facilities, with larger waste receptacles located at strategic locations for staff to deposit their own office waste. This measure significantly reduced the number of waste bin liners we use.

Our governance framework

- Supplementing paper towel dispensers in bathrooms with air hand dryers. This measure has significantly reduced the volume of single-use paper towels we use.
- Our ongoing use of a waterless car-washing facility. This allows us to keep the vehicle fleet in a presentable state without using any water or detergents.
- Introducing an electronic vehicle booking and trip logging system which removed the need to maintain paper log sheets in our vehicles, saving paper and reducing the time taken to accurately record vehicle use.
- In-house paper shredding, allowing us to recycle all waste paper rather than sending it off-site for destruction.

Initiatives planned for 2019–20 include:

- Investigating the feasibility of replacing sections of ceiling lights with LEDs to reduce electricity usage and improve internal lighting.
- Working with our fleet provider to investigate the feasibility of replacing existing light vehicles with electric or hybrid vehicles as leases are renewed.

- In conjunction with building management and other tenants, introduce an organic waste recycling system to our office.

External scrutiny

Oversight by the Parliamentary Committee

The Parliamentary Crime and Corruption Committee (PCCC) is a bipartisan committee whose principal functions are to:

- monitor and review the performance of the functions, and the structure of the CCC
- report to Parliament on matters relevant to the CCC, and
- participate in the appointment of Commissioners and the CEO.

In its monitoring and reviewing role it also conducts specific inquiries in respect of matters pertaining to the CCC. In monitoring CCC activities, the committee:

- receives and considers complaints against the CCC
- reviews CCC guidelines and policies and may make suggestions for improvement of CCC practices

- reviews CCC reports including the annual report and research reports
- requests reports from the CCC on matters which have come to the committee's attention, through the media or by other means, and
- deals with ad hoc issues concerning the CCC as they arise.

In 2018–19 the CCC met formally with the PCCC four times in both public and private meetings to discuss our current activities and performance.

Parliamentary Crime and Corruption Commissioner

The PCCC is assisted in its oversight process by the Parliamentary Crime and Corruption Commissioner, who investigates complaints against the CCC or our officers. The Parliamentary Commissioner may independently initiate investigation of a matter that involves, or may involve, the corrupt conduct of a CCC officer. The Parliamentary Commissioner also conducts audits of CCC records and files.

In 2018–19 the Parliamentary Commissioner:

- inspected the CCC's records to ascertain the extent of compliance with legislation governing surveillance

device warrants, retrieval warrants, emergency authorisations and controlled operations

- audited records related to the use of assumed identities
- inspected the telecommunications interception records
- reviewed intelligence data held by the CCC.

Where issues were raised by the audits and inspections, the CCC took appropriate action to address those issues. For information on audit reports see "External audits of our warrant records" on page 78.



Ministerial oversight

As required by section 260 of the CC Act, the CCC provides six-monthly reports on the efficiency, effectiveness, economy and timeliness of our systems and processes to the Minister. The CCC also provides budget information to the Minister.

Public Interest Monitor

The Public Interest Monitor must ensure the CCC complies with the CC Act, the *Police Powers and Responsibilities Act 2000* and the *Telecommunications Interception Act 2009* (TI Act) (Qld). This includes examining the CCC's applications for covert search warrants and surveillance warrants.

The courts

The courts, in particular the Supreme Court of Queensland, play a significant role in the use of our coercive powers, including applications for warrants, in the review of our decisions and in deciding contempt of court matters in relation to CCC hearings.

Crime Reference Committee

The Crime Reference Committee is a committee established under Part 2 of Chapter 6 of the CC Act to oversee the general conduct of the performance of the CCC's functions in relation to major crime and specific intelligence operations. The CCC's jurisdiction for major crime investigations and intelligence operations is enlivened by way of referrals or authorisations made or approved by the Committee. The members of the Crime Reference Committee are the:

- CCC Chairperson – chair of the committee
- Commissioner of Police
- Principal Commissioner, Queensland Family and Child Commission
- Senior Executive Officer (Crime)
- Two community representatives appointed by the Governor-in-Council upon the recommendation of the Minister.

The Senior Executive Officer (Corruption) is also a member of the Committee if it is considering whether to authorise an intelligence operation relating to suspected corruption.

Following changes to section 278 of the *Crime and Corruption Act 2001* on 9 November 2018, the CCC Chairperson became chair of this committee (previously held by the Senior Executive Officer (Crime)).

Controlled Operations Committee

The Controlled Operations Committee was established under the *Police Powers and Responsibilities Act 2000* to consider and make recommendations about applications for controlled operations to be undertaken by the CCC or the QPS.

Controlled operations are investigations of serious indictable offences, misconduct or organised crime that may involve authorised police officers and others engaging in activities that may be unlawful — for example, buying illicit drugs. The committee comprises the Commissioner of Police (or a nominee), the CCC Chairperson and an independent member, presently a retired Court of Appeal judge, who is the Chair.

In the case of any controlled operation by the CCC that involves investigating a police officer, the CCC Chairperson may approve the application without referring it to the committee, but must first

contact the independent member and obtain his agreement.

Evidence Act 1977

Section 21KG(1) of the *Evidence Act 1977* also requires the CCC to include in our annual report information about witness identity protection certificates given by the CCC Chairperson and the Commissioner of the Queensland Police Service. Eleven certificates were given by the Commissioner of Police on the basis that he was satisfied that disclosure of the operative's identity had the potential to lead to safety concerns. No certificates were given by the CCC Chairperson.

Our governance framework

External audits of our warrant records

Both the Commonwealth Ombudsman and Queensland's Parliamentary Crime and Corruption Commissioner conduct inspections of the CCC's warrants records.

The Parliamentary Commissioner continues to report favourably in relation to the CCC's procedure on obtaining telecommunication interception warrants and managing telecommunications interception warrant information. In a report dated November 2018 the Parliamentary Commissioner noted that the CCC was compliant in its record

keeping functions under ss 14 and 15 of the *Telecommunications Interception Act 2009* (Qld).

In June 2019 the CCC identified that reports for named person telecommunications interception warrants were not being completed as required by s 94B of the *Telecommunications (Interception and Access) Act 1979* (Cth).

The Minister for Home Affairs and the Parliamentary Commissioner have been notified by the CCC of this non-compliance and remedial action is being undertaken.

In August 2018 the Commonwealth Ombudsman provided the CCC with a draft

report regarding their May 2018 inspection of the CCC's records in relation to stored communications for the period 1 July 2016 to 30 June 2017. The CCC has adopted suggestions made by the Commonwealth Ombudsman regarding amendments to the revocation process for preservation notices. The Commonwealth Ombudsman found that the CCC has sufficient procedures in place to achieve compliance with the destruction provisions of the *Telecommunications (Interception and Access) Act 1979* (Cth). The Commonwealth Ombudsman noted that the CCC displays a strong compliance culture.

In January 2019 the Commonwealth Ombudsman conducted an inspection

of the CCC's records in relation to telecommunications data for the period 1 July 2017 to 30 June 2018. In June 2019, the Commonwealth Ombudsman provided the CCC with a draft report regarding their inspection. The Commonwealth Ombudsman provided suggestions where the CCC's record keeping procedures could be improved. In response to the suggestions, the CCC has updated forms relating to access to telecommunications data. The Commonwealth Ombudsman noted that the CCC has good processes for ensuring that telecommunications data is used and disclosed in accordance with the *Telecommunications (Interception and Access) Act 1979* (Cth).

Table 11. Use of our powers 2018–19¹

Description	Crime		Corruption	Proceeds of crime
	Investigation	Intelligence		
Notices issued to attend hearing	280	57	51	n/a
Notices to produce	82	n/a	n/a	384
Search warrants	30	0	21	n/a
Notices to discover information	n/a	n/a	310	n/a

Notes:

1. Refers to notices and warrants authorised by the Chairperson or delegate.





05 Financial information

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About the Financial Statements

The financial statements highlight the CCC's financial performance and overall position as at 30 June 2019

The financial statements consist of five parts:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to and forming part of the Financial Statements.

The financial statements are prepared by the CCC's finance area, are reviewed by the CEO and the ARMC and then audited by the QAO.

Statement of Comprehensive Income

The Statement of Comprehensive Income (SOI) measures the entity's financial performance over a specific period (usually 12 months). The SOI compares revenues received against expenses incurred. Excess revenue over expenses results in an operating surplus, while excess expenses over revenue results in an operating deficit.

For the year ended 30 June 2019 the CCC's revenue exceeded expenditure by \$0.216 million, resulting in an operating surplus.

Statement of Financial Position

The Statement of Financial Position provides a snapshot of the financial health of an entity at the end of the reporting period. It presents the value of the assets held, amounts owing (liabilities), and the equity (net worth) of the entity.

As at 30 June 2019 the CCC's equity was valued at \$18.425 million, increasing by \$0.531 million from the previous year due to a \$0.315 million equity injection from Government to fund the development of a new CMS and the \$0.216 million operating surplus for the 2018–19 financial year.

Assets

Assets are items of value controlled by an entity, from which future economic benefits are expected to flow to the entity. Assets are classed as "current assets" or "non-current assets".

Current assets are those assets that can be readily converted into cash within the next 12 months. The CCC's current assets include cash, trade debtors and other receivables, and pre-paid expenditure.

Non-current assets are those assets are not easily converted into cash and that an entity does not expect to convert into cash within the next 12 months.

At 30 June 2019 the CCC's non-current assets of \$9.933 million included the book value of leasehold improvements, motor vehicles, computer and other technical equipment, software (intangibles), and work in progress including intangibles.

Liabilities

Liabilities are the amounts owed by the entity. Similarly to assets, they are classed as "current liabilities" and "non-current liabilities".

Current liabilities are amounts owing that an entity plans to pay within the next 12 months. For the CCC, current liabilities include amounts owed to suppliers (usually settled on 30-day terms), amounts owing to employees for leave entitlements, provisions for expenditure based on contractual obligations expected to be incurred within the next 12 months, and lease incentive liabilities for office accommodation.

Non-current liabilities are those liabilities which an entity is not expected to pay within 12 months or which have no legal requirement to settle the debt

within the next 12 months. The CCC's non-current liabilities relate to the provision for costs to restore the leased premises to its original condition, lease incentive liabilities for leased premises and deferred lease liabilities which have arisen due to recognising lease expense payments on a straight-line method over the term of the lease.

Net Assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of the CCC as at 30 June 2019.

Equity

Equity is the net worth of the entity and is represented by total assets less total liabilities in the Statement of Financial Position. An entity's equity balance is made up of initial capital (contributions), accumulated surplus/deficit and reserves.



Financial Statements

Statement of Changes in Equity

The Statement of Changes in Equity details movements in the equity of an entity during the reporting period. The equity balance is affected by the operating result (surplus or deficit) for the period, equity injections or withdrawals, and asset revaluations.

Statement of Cash Flows

This statement shows the actual movements of cash during the financial year. During the 2018–19 financial year the CCC received \$59.298 million in cash and paid out \$61.692 million in cash to manage its operating activities. In addition, \$2.580 million in cash was invested in capital acquisitions. The CCC's cash balance at 30 June 2019 was \$12.059 million compared with \$16.718 million at 30 June 2018. The decrease in cash of \$4.659 million is mainly due to a majority of current year capital acquisitions being internally funded and the CCC's entry into ALCS during 2018–19.

Notes to and forming part of the Financial Statements

The notes to the financial statements provide a more detailed breakup of line items presented in the financial statements. They also disclose other matters such as the CCC's accounting policies, budget reporting disclosures including explanations of major budget variances, outstanding commitments at the end of the reporting period and other financial disclosures including key executive management personnel and remuneration. The financial statements should be read in conjunction with these accompanying notes.

General information

These financial statements cover the Crime and Corruption Commission (CCC), an independent statutory body established under the *Crime and Corruption Act 2001*, which reports directly to the Queensland Parliament.

For financial reporting purposes, the CCC is a statutory body in terms of the *Financial Accountability Act 2009*, and is subsequently consolidated into the whole-of-government financial report.

The head office and principal place of business of the CCC is:

Level 2, North Tower, Green Square,
515 St Pauls Terrace FORTITUDE
VALLEY QLD 4006

A description of the nature of the CCC's operations and its principal activities is included in the notes to the financial statements.

For information relating to the CCC's financial statements: please call 07 3360 6060, email mailbox@ccc.qld.gov.au or visit the CCC's website at www.ccc.qld.gov.au.

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CRIME AND CORRUPTION COMMISSION

Statement of Comprehensive Income for the year ended 30 June 2019

	Notes	Actual 2019 \$'000	Original Budget 2019 \$'000	Budget Variance* \$'000	Actual 2018 \$'000
OPERATING RESULT					
Income from Continuing Operations					
Grants and other contributions	2	58,655	62,182	(3,527)	56,152
Interest		485	425	60	452
Other revenue		101	102	(1)	401
Total Revenue		59,241	62,709	(3,468)	57,005
Gains on disposal of property, plant and equipment		90	70	20	123
Total Income from Continuing Operations		59,331	62,779	(3,448)	57,128
Expenses from Continuing Operations					
Employee expenses	3	42,191	44,486	2,295	40,342
Supplies and services	5	13,494	14,877	1,383	13,264
Depreciation and amortisation	8	2,086	2,263	177	1,852
Impairment losses		5	–	(5)	–
Finance costs		6	5	(1)	5
Other expenses	6	1,333	1,148	(185)	1,258
Total Expenses from Continuing Operations		59,115	62,779	3,664	56,721
Operating Result from Continuing Operations		216	–	216	407
Total Comprehensive Income		216	–	216	407

The accompanying notes form part of these statements.

* An explanation of major variances is included at Note 18.



CRIME AND CORRUPTION COMMISSION

Statement of Financial Position as at 30 June 2019

	Notes	Actual 2019 \$'000	Original Budget 2019 \$'000	Budget Variance* \$'000	Actual 2018 \$'000
Current Assets					
Cash and cash equivalents	7	12,059	10,338	1,721	16,718
Receivables		1,009	462	547	693
Other assets		1,189	553	636	565
Total Current Assets		14,257	11,353	2,904	17,976
Non-Current Assets					
Intangible assets	8	1,282	2,260	(978)	335
Property, plant and equipment	8	8,613	11,616	(3,003)	9,062
Other assets		38	115	(77)	72
Total Non-Current Assets		9,933	13,991	(4,058)	9,469
Total Assets		24,190	25,344	(1,154)	27,445
Current Liabilities					
Payables	9	3,396	3,250	(146)	4,869
Lease liabilities	10	24	24	–	26
Unearned revenue		13	13	–	713
Accrued employee benefits	11	1,613	821	(792)	3,215
Total Current Liabilities		5,046	4,108	(938)	8,823
Non-Current Liabilities					
Lease liabilities	10	463	464	1	482
Provisions	12	256	347	91	246
Total Non-Current Liabilities		719	811	92	728
Total Liabilities		5,765	4,919	(846)	9,551
Net Assets		18,425	20,425	(2,000)	17,894
Equity					
Contributed equity		13,236	15,813	(2,577)	12,921
Accumulated surplus		5,189	4,612	577	4,973
Total Equity		18,425	20,425	(2,000)	17,894

The accompanying notes form part of these statements.

* An explanation of major variances is included at Note 18.

CRIME AND CORRUPTION COMMISSION

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

	Accumulated Surplus	Contributed Equity	TOTAL
	\$'000	\$'000	\$'000
Balance as at 1 July 2017	4,566	12,221	16,787
Operating result from continuing operations	407	–	407
<i>Transactions with Owners as Owners:</i>			
• Non appropriated equity injection ¹	–	700	700
Balance as at 30 June 2018	4,973	12,921	17,894

	Accumulated Surplus	Contributed Equity	TOTAL
	\$'000	\$'000	\$'000
Balance as at 1 July 2018	4,973	12,921	17,894
Operating result from continuing operations	216	–	216
<i>Transactions with Owners as Owners:</i>			
• Non appropriated equity injection ¹	–	315	315
Balance as at 30 June 2019	5,189	13,236	18,425

¹ The CCC received a non-appropriated equity injection in 2017-18 and 2018-19 to fund the development of a new Integrated Case Management System (ICMS).

The accompanying notes form part of these statement



CRIME AND CORRUPTION COMMISSION

Statement of Cash Flows for the year ended 30 June 2019

Notes	Actual 2019 \$'000	Original Budget 2019 \$'000	Budget Variance* \$'000	Actual 2018 \$'000
Cash flows from operating activities				
<i>Inflows</i>				
Grants and other contributions	56,842	60,452	(3,610)	55,013
Interest receipts	494	425	69	491
GST input tax credits from ATO	1,761	1,166	595	1,445
GST collected from customers	47	–	47	45
Other	154	102	52	210
<i>Outflows</i>				
Employee expenses	(44,607)	(46,724)	2,117	(40,599)
Supplies and services	(15,193)	(14,767)	(426)	(10,481)
GST paid to suppliers	(1,695)	(1,143)	(552)	(1,576)
GST remitted to ATO	(51)	(28)	(23)	(46)
Other	(146)	(132)	(14)	(118)
Net cash provided by/(used in) operating activities	(2,394)	(649)	(1,745)	4,384
Cash flows from investing activities				
<i>Inflows</i>				
Sales of property, plant and equipment	273	244	29	282
<i>Outflows</i>				
Payments for Intangibles	(1,028)	(1,691)	663	(147)
Payments for property, plant and equipment	(1,825)	(4,748)	2,923	(3,454)
Net cash provided by/(used in) investing activities	(2,580)	(6,195)	3,615	(3,319)
Cash flows from financing activities				
<i>Inflows</i>				
Equity injection	315	2,893	(2,578)	700
Net cash provided by/(used in) financing activities	315	2,893	(2,578)	700
Net increase (decrease) in cash and cash equivalents	(4,659)	(3,951)	(708)	1,765
Cash and cash equivalents at beginning of period	16,718	14,289	2,429	14,953
Cash and cash equivalents at end of period	12,059	10,338	1,721	16,718

The accompanying notes form part of these statements. * An explanation of major variances is included at Note 18.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018-19

Objectives of the Crime and Corruption Commission

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CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Objectives of the Crime and Corruption Commission (CCC)

The CCC is a not-for-profit entity that focuses on those matters that are of highest threat to the Queensland community with the aim of helping make our communities safer and ensuring that they are supported by fair and ethical public institutions. The CCC's key objectives are to combat major crime and reduce corruption in the Queensland public sector.

Note 1: Summary of Significant Accounting Policies

Significant accounting policies are in the notes to which they relate, except as follows:

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared on an accrual basis, except for the Statement of Cash Flows which is prepared on a cash basis. They are prepared in accordance with:

- Section 43 of the *Financial and Performance Management Standard 2009*
- Applicable Australian Accounting Standards and Interpretations
- Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2018

Except where stated, the historical cost convention is used. This means that assets are recorded at their initial cost and liabilities are valued at the amount initially received in exchange for obligation.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 1(i).

(b) The Reporting Entity

The financial statements include the value of all assets, liabilities, equity, revenues and expenses of the CCC. The CCC does not control any other entities.

(c) Other Presentation Matters

Currency and rounding

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives

Comparative information has not been restated.

Current/Non-Current Classification

Assets and Liabilities are classified as either "current" or "non-current" in the Statement of Financial Position and associated notes.

Assets are classified as "current" where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as "current" when they are due to be settled within 12 months after the reporting date, or the CCC does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

(d) Issuance of Financial Statements

The financial statements are authorised for issue by the Chief Finance Officer, Chief Executive Officer and Chairperson at the date of signing the Management Certificate.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 1: Summary of Significant Accounting Policies (cont'd)

(e) Taxation

The CCC is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

(f) Receivables

Receivables are measured at amortised cost which approximates their fair value and represent amounts owed to the CCC at the end of the reporting period.

Sundry debtors are recognised at the amounts due at the time of service delivery, that is, the agreed sale/contract price. Settlement of these amounts is required within 30 days from invoice date. From 1 July 2018, the CCC has adopted a simplified approach to quantify the level of impaired receivables. Refer to Note 1(i).

(g) Accounting Estimates and Judgments

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgments that have the potential to cause a material adjustment to the carrying amount of assets and liabilities within the next period. Such estimates, judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Accrued Employee Benefits (Note 11)
- Provisions (Note 12)
- Commitments for Expenditure (Note 14)
- Contingencies (Note 15)

(h) Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial statements, the expected impact of new or amended Australian Accounting Standards issued but with future effective dates relevant to the CCC are set out below:

AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers*

The transition date for both AASB 15 and AASB 1058 is 1 July 2019. Consequently, these standards will first apply to the CCC when preparing financial statements for 2019-20. The CCC has reviewed the impact of AASB 15 and AASB 1058 and identified the following impacts (or estimated impact where indicated) of adoption of the new standards:

Capital Appropriation Funding

Amounts for capital works received by the CCC via non appropriated equity injection from the Department of Justice and Attorney General will continue to be recognised on receipt of the appropriation injections. There is no impact on unearned revenue or revenue recognition for these amounts.

Grant Revenue

The CCC receives its annual appropriation in the form of a grant on a quarterly basis from the Department of Justice and Attorney-General. The total of this grant for 2018-19 was \$57.542m and has been recognised as revenue on receipt of monies.



CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

1: Summary of Significant Accounting Policies (cont'd)

(h) Future Impact of Accounting Standards Not Yet Effective (cont'd)

AASB 16 Leases

This standard will first apply to the CCC financial statements from 2019-20. When applied, the standard supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases – Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Impact for Lessees

Under AASB 16, the majority of operating leases will be reported on the statement of financial position as right-of-use assets and lease liabilities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the statement of comprehensive income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. In accordance with Queensland Treasury's policy, the CCC will apply the 'cumulative approach', and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

Outcome of review as lessee

The CCC has completed its review of the impact of adoption of AASB 16 on the statement of financial position and statement of comprehensive income and has identified the following major impacts which are outlined below.

During the 2018/19 financial year, the CCC held operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non-specialised, commercial office accommodation through the Queensland Government Accommodation Office (QGAO) and residential accommodation through the Government Employee Housing (GEH) program. Lease payments under these arrangements totalled \$4.457m p.a. The CCC has been advised by Queensland Treasury and DHPW that, effective 1 July 2019, amendments to the framework agreements that govern QGAO and GEH will result in the above arrangements being exempt from lease accounting under AASB 16. This is due to DHPW having substantive substitution rights over the non-specialised, commercial office accommodation and residential premises assets used within these arrangements. From 2019-20 onwards, costs for these services will continue to be expensed as supplies and services expense when incurred.

The CCC has also been advised by Queensland Treasury and DHPW that, effective 1 July 2019, motor vehicles provided under DHPW's QFleet program will be exempt from lease accounting under AASB 16. This is due to DHPW holding substantive substitution rights for vehicles provided under the scheme. From 2019-20 onward, costs for these services will continue to be expensed as supplies and services expense when incurred. Existing QFleet leases were not previously included as part of non-cancellable operating lease commitments.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 1: Summary of Significant Accounting Policies (cont'd)

(h) Future Impact of Accounting Standards Not Yet Effective (cont'd)

The CCC has quantified the transitional impact on the statement of financial position and statement of comprehensive income of all qualifying lease arrangements that will be recognised on-balance sheet under AASB 16, as follows.

- Statement of financial position impact on 1 July 2019:
 - \$0.653m increase in lease liabilities
 - \$0.653m increase in right-of-use assets
 - \$0.487m increase in opening accumulated surplus.
- Statement of comprehensive income impact expected for the 2019-20 financial year, as compared to 2018-19:
 - \$0.218m increase in depreciation and amortisation expense
 - \$0.146m increase in interest expense
 - \$0.302m decrease in supplies and services
 - This results in a net increase of \$0.062m in total expenses.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the CCC's activities, or have no material impact on the CCC.

(i) First Year Application of New Accounting Standards or Change in Accounting Policy

Changes in accounting policies - AASB 9 *Financial Instruments*

The CCC applied AASB 9 *Financial Instruments* for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continue to be reported under AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effect of the changes as a result of adoption of this new accounting standard (Note 16) are described below.

Classification and measurement

- There has been no change to either the classification or valuation of the cash and cash equivalents item.
- Trade receivables has been classified and measured at amortised cost. New impairment requirements have resulted in a provision of 5% being applied to all trade receivables. The CCC adopted the simplified approach under AASB 9 and measured the lifetime expected credit losses on all trade receivables. Applying this approach the CCC has quantified the opening provision for impairment of trade receivables on 1 July 2018 as \$0.005m, an increase of \$0.005m compared to the amount reported at 30 June 2018, resulting in net receivables of \$0.688m on transition.



CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 2: Grants and Other Contributions

Accounting Policy:

Government Grants – Government grants are non-reciprocal in nature and are recognised as revenue in the year in which the CCC obtains control over them or the right to receive them.

Other Contributions – Services Received Below Fair Value – The CCC recognises contributions of services only if the services would have been purchased had they not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

	2019 \$'000	2018 \$'000
Grants		
Queensland Government grant ¹	57,542	55,013
Other Contributions – Services Received Below Fair Value		
Archival storage services from Department of Housing and Public Works (DPW)	143	197
Employee costs for police secondments from Queensland Police Service (QPS) ²	970	942
	<u>1,113</u>	<u>1,139</u>
Total	<u>58,655</u>	<u>56,152</u>

¹ The CCC is funded by parliamentary appropriations for the provision of its outputs. These appropriations are received by the Department of Justice and Attorney-General and forwarded to the CCC on a quarterly basis in the form of a grant.

² As at 30 June 2019, 8 police FTEs were seconded to the CCC from the QPS and paid for by the QPS.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 3: Employee Expenses

Accounting Policy:

Wages, Salaries and Sick Leave – Salaries and wages due but unpaid at reporting date are recognised as a liability in the Statement of Financial Position. As the CCC expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts. Also refer to Note 11.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees, and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave – The CCC became a member of the Annual Leave Central Scheme (ALCS) starting 1 July 2018. Under this scheme, a levy is made on the CCC to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears. Also refer to Note 11.

Long Service Leave – Under the Queensland Government's long service leave central scheme, a levy is applied on the CCC to cover the cost of employees' long service leave. Levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears. Also refer to Note 11.

No provision for long service leave is recognised in the CCC's financial statements, the liability being held on a whole-of-government basis and reported in those financial statements, pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Superannuation – Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment. Also refer to Note 9.

Defined Contribution Plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined Benefit Plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the CCC at the specified rate following completion of the employee's service each pay period. The CCC's obligations are limited to those contributions paid.



CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 4: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions

(a) The Commission

The Commission is the governing body and comprises a full time Commissioner who is the Chairperson, a part-time Commissioner who is the Deputy Chairperson, and three (3) part-time Ordinary Commissioners. The Commission is responsible for providing strategic leadership and direction for the performance of the CCC's functions. The Chairperson has specific responsibilities relating to the proper performance of the CCC's functions.

(b) Chief Executive Officer (CEO)

The CEO is responsible for the efficient, effective and economic administration of the CCC. The CCC's financial functions are also delegated to the CEO. The CEO reports to the Commission.

(c) Key Management Personnel

The CCC's responsible Minister is identified as part of the CCC's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Attorney-General and Minister for Justice. The details for non-ministerial KMP reflect those CCC positions that had authority and responsibility for planning, directing and controlling activities of the CCC during 2018-19 and 2017-18. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management. Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Member's Remuneration Handbook. The CCC does not bear any cost of remuneration to Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

(d) Remuneration Expenses

Part-time Ordinary Commissioners' Remuneration

The remuneration paid to part-time Commissioners is determined by the Governor-in-Council and based on rates specified in the guidelines for Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities: Remuneration Procedures. The remuneration amounts shown include superannuation.

Name of Commissioner	Position	Date of term commencement	2019 \$'000	2018 \$'000
Deborah Holliday*	Ordinary Commissioner	Acting 11 November 2016 to 10 February 2017, 10 March 2017 to current	67	46
Anne Tiernan	Ordinary Commissioner	Acting 11 November 2016 to 10 February 2017, 10 March 2017 to current	46	45
Sydney Williams	Deputy	1 November 2014 to current	46	45
Marshall Irwin*	Ordinary Commissioner	1 March 2016 to current	46	64
Total			205	200

* Remuneration expenses include costs in relation to acting arrangements established during the year.



CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 4: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions (cont'd)

(d) Remuneration Expenses (cont'd)

Chairperson Remuneration

The remuneration paid to the Chairperson is determined by the Governor-in-Council and is equivalent to the superannuable salary of a Supreme Court judge, other than the Chief Justice or the President of the Court of Appeal, as provided for under the *Judicial Remuneration Act 2007*. The Chairperson's remuneration increased by 2% effective from 1 July 2018.

The Chairperson's conditions of employment includes a jurisprudential allowance, an expense of office allowance, the use of a Qfleet vehicle for official and private purposes in accordance with the guidelines outlined in Schedule E of the *Judges of the Supreme Court Conditions 2011*, leave equivalent to the public service and a pension in accordance with the provisions of the *Crime and Corruption Act 2001*. The Chairperson is not eligible for a performance bonus.

Chief Executive Officer (CEO) and Senior Executive Remuneration

The remuneration paid to the CEO is determined by the Governor-in-Council; however, remuneration policy for both the CCC's CEO and senior executive personnel is based on rates set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*, and approved by the Minister.

For the 2018–19 year, in accordance with government policy, the remuneration for senior executive personnel did not increase.

Remuneration expenses for key management personnel comprise the following components:

- Short-term employee expenses which include:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the senior executive position
 - non-monetary benefits — consisting of provision of vehicles together with fringe benefits tax applicable to the benefit and car parking benefits
- Long-term employee expenses include amounts expensed in respect of long service leave entitlements earned
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations
- Termination benefits are provided for within individual contracts of employment for senior executive personnel only. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for the termination
- The CEO or senior executive personnel contracts do not provide for performance bonuses.

The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 4: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions (cont'd)

(d) Remuneration Expenses (cont'd)

1 July 2018 – 30 June 2019

Position	Contract classification and appointment authority	Monetary Expenses \$'000	Long-Term Employee Expenses \$'000	Post-Employment Expenses \$'000	Termination Benefits \$'000	Total Expenses \$'000
Chairperson ¹ – 1 September 2015 to current	<i>Crime and Corruption Act 2001</i>	494	10	–	–	504
Chief Executive Officer – 1 January 2016 to 23 July 2018	CEO, <i>Crime and Corruption Act 2001</i>	4	–	2	–	6
Chief Executive Officer ² – 24 August 2018 to current	CEO, <i>Crime and Corruption Act 2001</i>	311	6	28	–	345
Senior Executive Officer, Corruption (previously Executive Director) – 3 October 2017 to current	SES4, <i>Crime and Corruption Act 2001</i>	230	5	26	–	261
Senior Executive Officer, Crime (previously Executive Director) – 3 July 2017 to current*	SES4, <i>Crime and Corruption Act 2001</i>	253	5	28	–	286
Executive Director, Corporate Services (previously Executive Director, Strategic and Corporate Services) – 5 November 2018 to current ³	SES3, <i>Crime and Corruption Act 2001</i>	87	2	10	–	99
Acting Executive Director, Strategic and Corporate Services – 24 August 2018 to 2 November 2018	SES3, <i>Crime and Corruption Act 2001</i>	42	1	4	–	47
Executive Director, Operations Support ⁴ – 22 January 2018 to current	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	176	3	31	–	210
Acting Executive Director, Strategy Innovation and Insights – 1 April 2019 to current ³	SES3, <i>Crime and Corruption Act 2001</i>	50	1	6	–	57
Director, Financial Investigations – 18 March 2013 to 17 August 2018	SES2, <i>Crime and Corruption Act 2001</i>	29	–	2	–	31
Acting Director, Financial Investigations – 13 August 2018 to 31 May 2019	SES2, <i>Crime and Corruption Act 2001</i>	163	3	16	–	182
Director, Legal Services – 26 April 2012 to current*	SES2, <i>Crime and Corruption Act 2001</i>	168	3	19	–	190
Director, Research and Policy – 17 February 2012 to current*	SES2, <i>Crime and Corruption Act 2001</i>	193	4	20	–	217
Director, Intelligence – 23 November 2012 to current	SO, <i>Crime and Corruption Act 2001</i>	128	3	16	–	147
Total Remuneration		2,328	46	208	–	2,582

¹ The Chairperson received a non-monetary motor vehicle benefit of \$20,540 during the period.

² Remuneration expenses include costs in relation to acting in the Chief Executive Officer role from 1 July to 23 August 2018.

³ The Executive Director, Corporate Services started acting in the Executive Director, Strategy Innovation and Insights role from 1 April 2019.

⁴ The Executive Director, Operations Support received a non-monetary motor vehicle benefit of \$7,539 during the period.

* Remuneration expenses include costs in relation to acting arrangements established during the year.



CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 4: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions (cont'd)

(d) Remuneration Expenses (cont'd)

1 July 2017 – 30 June 2018

Position	Contract classification and appointment authority	Monetary Expenses \$'000	Long-Term Employee Expenses	Post-Employment Expenses \$'000	Termination Benefits \$'000	Total Expenses \$'000
Chairperson ¹ – 1 September 2015 to current	<i>Crime and Corruption Act 2001</i>	471	10	–	–	481
Chief Executive Officer – 1 January 2016 to current	CEO, <i>Crime and Corruption Act 2001</i>	145	3	34	–	182
Acting Chief Executive Officer – 14 August 2017 to 29 August 2017; 7 October 2017 to 2 February 2018; 19 March 2018 to current	CEO, <i>Crime and Corruption Act 2001</i>	199	4	17	–	220
Senior Executive Officer, Corruption (previously Executive Director) – 3 October 2017 to current	SES4, <i>Crime and Corruption Act 2001</i>	193	4	22	–	219
Executive Director, Corruption – 15 September 2014 to 15 September 2017	SES4, <i>Crime and Corruption Act 2001</i>	62	2	6	48	118
Senior Executive Officer, Crime (previously Executive Director) – 3 July 2017 to current	SES4, <i>Crime and Corruption Act 2001</i>	250	5	28	–	283
Executive Director, Strategic and Corporate Services – 13 July 2015 to current	SES3, <i>Crime and Corruption Act 2001</i>	56	2	9	–	67
Acting Executive Director, Strategic and Corporate Services – 14 August 2017 to 2 February 2018	SES3, <i>Crime and Corruption Act 2001</i>	93	2	11	–	106
Executive Director, Operations Support – 22 January 2018 to current	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	75	1	12	–	88
Executive Director, Operations Support – 12 October 2015 to 19 January 2018	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	99	2	17	–	118
Director, Financial Investigations – 18 March 2013 to current	SES2, <i>Crime and Corruption Act 2001</i>	88	2	10	–	100
Acting Director, Financial Investigations – 21 August 2017 to 2 February 2018	SES2, <i>Crime and Corruption Act 2001</i>	81	2	11	–	94
Director, Legal Services – 26 April 2012 to current*	SES2, <i>Crime and Corruption Act 2001</i>	167	4	19	–	190
Director, Research and Policy – 17 February 2012 to current*	SES2, <i>Crime and Corruption Act 2001</i>	183	4	22	–	209
Director, Intelligence – 23 November 2012 to current	SO, <i>Crime and Corruption Act 2001</i>	139	3	18	–	160
Total Remuneration		2,301	50	236	48	2,635

¹ The Chairperson also received a non-monetary motor vehicle benefit of \$20,425 during the period.

* Remuneration expenses include costs in relation to the acting arrangements and former incumbents where applicable.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

(e) Related Party Transactions

The CCC obtained related party declarations for each member of the Commission and key executive management personnel for the period 1 July 2018 to 30 June 2019. No related party transactions requiring disclosure per AASB 124 *Related Party Disclosures* were identified.

Note 5: Supplies and Services

	2019 \$'000	2018 \$'000
Operating Lease Rentals	4,220	4,265
Information technology (IT) hardware and software maintenance	986	814
Software purchases	153	378
Consultants and contractors	2,271	2,273
Corporate service providers	371	333
Electricity	286	332
Furniture and equipment (non-asset)	825	455
Telecommunications and access costs	1,238	1,349
Legal costs	477	449
Building and equipment maintenance	327	305
Motor vehicle running costs	475	448
Operational expenses	323	377
Security	436	460
Travel	557	453
Other	549	573
Total	13,494	13,264

Note 6: Other Expenses

	2019 \$'000	2018 \$'000
External audit fees ¹	63	61
Insurance Premiums ²	27	31
Services received below fair value (see Note 2)	1,113	1,139
Losses – On disposal of property, plant and equipment	83	1
Special payments ³	11	-
Sundry expenses	36	26
Total	1,333	1,258

¹ Estimate of fees payable to Queensland Audit Office relating to the 2018–19 financial statements is \$63,000 (2018 fee: \$61,000).

² The CCC's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. Insurance claims are subject to a \$10,000 deductible per claim.

³ Special payments include ex gratia expenditure and other expenditure that the CCC is not contractually or legally obligated to make to other parties. The CCC made a \$7,000 sponsorship payment in 2018-19 to the International Society for the Reform of Criminal Law (ISRCL) Conference 2019 which will be held in Brisbane Queensland. The CCC has also agreed to provide 170 hours of effort in administrative support, which is approximately \$8,000 in-kind over the term of agreement. \$800 sponsorship support was paid to the Corruption Prevention Network Queensland and \$3,250 sponsorship payment to the Institute of Public Administration Australia, Queensland.



CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 7: Cash and Cash Equivalents

Accounting Policy:

Cash and Cash Equivalents – Cash and cash equivalents include all cash and cheques received but not banked at 30 June. Term deposits are held with major banking institutions and/or Queensland Treasury Corporation and represent liquid investments with short periods to maturity that are readily convertible to cash on hand at the CCC’s option and that are subject to a low risk of changes in value.

	2019 \$'000	2018 \$'000
Imprest accounts	8	8
Cash at bank	1,570	2,566
Term deposits	10,481	14,144
Total	12,059	16,718

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 8: Property, plant and equipment and Intangible Assets

Accounting Policy:

Recognition – The CCC only recognises assets in the Statement of Financial Position where their initial acquisition costs exceed a set monetary threshold with assets below this value being expensed:

Plant and Equipment	\$5,000
Intangible Assets	\$100,000

Items comprising the CCC's technical library are expensed on acquisition.

Cost of Acquisition – All assets are initially recorded at their purchase price plus any costs incurred that are directly attributable to bringing the asset to the location and condition necessary for it to be able to operate as intended.

This includes direct costs associated with the design and implementation of software.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised, and the new depreciable amount is depreciated over the remaining useful life of the asset to the CCC. Routine repair and maintenance costs, minor renewal costs and costs of training staff in the use of the asset are not included in the cost of acquisition, but instead are expensed when incurred.

Measurement – The CCC uses the historical cost model to measure all assets after they are recognised, which means that assets are carried at their acquisition cost less accumulated depreciation and any accumulated impairment losses.

The carrying amounts for plant and equipment measured at cost approximate their fair value at reporting date.

Depreciation and Amortisation Expense – Property, plant and equipment and intangible assets have finite useful lives and are depreciated and amortised on a straight-line basis over the expected benefit to the CCC.

Straight line depreciation and amortisation is used reflecting the expected even consumption of economic benefits on a progressive basis over the useful life of property, plant and equipment and intangible assets.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity, that is, when the asset is available for use and is operating in the manner intended by management. These assets are then reclassified to the relevant asset class.

Each class of depreciable and intangible assets is depreciated or amortised based on the following useful lives.

Plant and Equipment:

Motor Vehicles	2–5 years
Computer Equipment	3–7 years
General and Technical Equipment	3–15 years
Leasehold Improvements	4–18 years

Intangible Assets:

Software	7–9 years
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The useful lives of plant and equipment and intangible assets were reviewed during the reporting period and adjusted where necessary.

Impairment – Impairment of non-current physical and intangible assets is the decline in the service potential of an asset over and above the use reflected through depreciation.

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the CCC determines the assets recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. An impairment loss is recognised immediately in the Statement of Comprehensive Income.



CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 8: Property, plant and equipment and Intangible Assets (cont'd)

Note 8A: Intangible Assets

	2019 \$'000	2018 \$'000
Software		
At cost	888	888
Less: Accumulated amortisation	(781)	(700)
	107	188
Work in Progress		
At cost	1,175	147
Total	1,282	335

The CCC's software comprises of an Electronic Document and Records Management System (EDRMS) and a Web Content and Intranet Management System. A new ICMS and various computer applications under the Digital Workplace Program (DWP), are also currently being developed.

Intangibles Reconciliation

	Software Purchased		Software Work in Progress		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Carrying amount at 1 July	188	276	147	–	335	276
Acquisitions	–	–	1,028	147	1,028	147
Amortisation ¹	(81)	(88)	–	–	(81)	(88)
Carrying amount at 30 June 2019	107	188	1,175	147	1,282	335

¹ Amortisation of intangibles is included in the line item "Depreciation and amortisation" in the Statement of Comprehensive Income.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 8B: Property, Plant and Equipment

	2019	2018
	\$'000	\$'000
Motor vehicles:		
At cost	1,705	1,624
Less: Accumulated depreciation	(432)	(497)
	<u>1,273</u>	<u>1,127</u>
Computer equipment:		
At cost	3,575	3,435
Less: Accumulated depreciation	(1,678)	(2,823)
	<u>1,897</u>	<u>612</u>
General and technical equipment:		
At cost	1,971	1,950
Less: Accumulated depreciation	(935)	(1,097)
	<u>1,036</u>	<u>853</u>
Leasehold improvements:		
At cost	15,242	15,237
Less: Accumulated depreciation	(11,107)	(10,371)
	<u>4,135</u>	<u>4,866</u>
Work in Progress:		
At cost	272	1,604
Total	<u>8,613</u>	<u>9,062</u>



CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018–19

Note 8: Property, plant and equipment and Intangible Assets (cont'd)

Note 8B: Property, Plant and Equipment (cont'd)

Property, Plant and Equipment Reconciliation

	Motor vehicles		Computer equipment		General and technical equipment		Leasehold improvements ¹		Work in progress		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Carrying amount at 1 July	1,127	931	612	1,033	853	596	4,866	4,841	1,604	58	9,062	7,459
Acquisitions	730	673	645	99	450	490	–	589	–	1,604	1,825	3,455
Disposals ³	(264)	(141)	(2)	(1)	(7)	(20)	–	(1)	–	–	(273)	(163)
Transfers between classes	–	–	1,332	–	–	–	–	58	(1,332)	(58)	–	–
Restoration cost adjustment ²	–	–	–	–	–	–	4	75	–	–	4	75
Depreciation ⁴	(320)	(336)	(690)	(519)	(260)	(213)	(735)	(696)	–	–	(2,005)	(1,764)
Carrying amount at 30 June 2019	1,273	1,127	1,897	612	1,036	853	4,135	4,866	272	1,604	8,613	9,062

¹ The depreciable amount of leasehold improvements is allocated progressively over the estimated useful life of the asset or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes an option period where exercise of the option is probable.

² Leasehold improvements include an amount of \$256,377 (2018: \$0.246M) for the estimate of restoration costs for leased premises which has been recognised as a provision. Refer to Note 10 and Note 12.

³ Any gain or loss on disposal is recognised at the date of disposal and is the difference between the consideration received and the carrying/book value of the asset at the time.

⁴ Depreciation is included in the line item "Depreciation and amortisation" in the Statement of Comprehensive Income.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018-19

Note 9: Payables

Accounting Policy:

Payables – The CCC recognises creditors upon receipt of the goods or services and are measured at the agreed purchase price or contract price including any trade and other discounts when goods and services ordered are received. Amounts owing are unsecured, and are generally settled on 30-day terms.

	2019 \$'000	2018 \$'000
Contractual Payables		
Creditors	2,236	3,348
Queensland Police Service ¹	898	1,281
	3,134	4,629
Statutory Payables		
Payroll Tax	169	141
Superannuation	58	54
FBT and Pay-as-you-go	35	45
	262	240
Total	3,396	4,869

¹ Reimbursement of staff salaries and related on-costs for police seconded to the CCC.



CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018-19

Note 10: Lease Liabilities

Accounting Policy:

Lease recognition – A distinction is made between finance and operating leases. Finance leases effectively transfer all risks and benefits of ownership to the lessee. Under an operating lease, the lessor retains substantially all the risks and benefits. The CCC has operating leases for office accommodation and no finance leases.

Lease measurement – Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred using a straight line basis over the period of the lease even if the payments are not on that basis. Differences between lease expense and payments made are recorded as a deferred lease liability, which is extinguished upon expiration of the lease.

Incentives received on entering into operating leases are recognised as a liability. The liability is progressively extinguished through a reduction in rental expense over the lease term on a straight line basis

	2019 \$'000	2018 \$'000
Current		
Lease incentive liability	24	26
Total	24	26
Non-Current		
Lease incentive liability	–	24
Deferred lease liability	463	458
Total	463	482

Note 11: Accrued Employee Benefits

	2019 \$'000	2018 \$'000
Wages outstanding	831	792
Annual leave levy payable	643	2,252
Long service leave levy payable	139	171
Total	1,613	3,215

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018-19

Note 12: Provisions

Accounting Policy:

Recognition and Measurement – Provisions are recorded when the CCC has a present obligation, either legal or constructive, as a result of a past event, and the amount of the provision can be reliably measured. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period.

The provision for restoration costs relate to clauses in lease agreements for office accommodation which require the CCC to restore the leased premises to their original condition. As the settlement of the obligation is expected after 12 or more months, the provision has been discounted to reflect the present value of these obligations using a rate that reflects current market assessments and risks specific to the liability. The finance costs relate to unwinding of the discount on the provision.

	2019 \$'000	2018 \$'000
Restoration costs	256	246
Total	256	246

	2019 \$'000	2018 \$'000
Movements in provisions		
Restoration Costs		
Balance at 1 July	246	328
Additional provision made	4	75
Provision utilised through payments / derecognition	–	(162)
Finance Costs	6	5
Balance at 30 June 2019	256	246



CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018-19

Note 13: Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	2019	2018
	\$'000	\$'000
Operating result from continuing operations	216	407
Depreciation and amortisation expense	2,086	1,852
Impairment losses	5	–
Losses on disposal of property, plant and equipment	83	1
Gains on disposal of property, plant and equipment	(90)	(123)
Other Revenue	–	(133)
Finance costs	6	5
Change in asset and liabilities:		
(Increase)/decrease in other receivables	54	(56)
(Increase)/decrease in GST input tax receivable	66	(132)
(Increase)/decrease in long service leave reimbursement receivable	3	(93)
(Increase)/decrease in annual leave reimbursement receivable	(450)	–
(Increase)/decrease in interest receivable	9	39
(Increase)/decrease in prepayments	(591)	30
Increase/(decrease) in accounts payable	(1,473)	1,898
Increase/(decrease) in accrued employee benefits	(1,601)	(113)
Increase/(decrease) in GST payable	4	(1)
Increase/(decrease) in unearned revenue	(700)	700
Increase/(decrease) in provision	–	(27)
Increase/(decrease) in lease liability	(21)	130
Net Cash Provided by operating activities	(2,394)	4,384

Note 14: Commitments for Expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the statement of financial position. Commitments at reporting date are disclosed at their nominal value inclusive of anticipated GST and are payable as follows:

	Operating Leases ¹		Vehicle Leases		Capital Expenditure		Other Expenditure		Total Commitments	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Not later than one year	4,379	4,196	120	140	1,138	239	1,433	1,197	7,069	5,772
Later than one year and not later than five years	4,198	8,456	72	189	434	–	559	1,198	5,263	9,843
Later than five years	–	–	–	–	–	–	–	–	–	–
Total	8,577	12,652	192	329	1,572	239	1,992	2,395	12,332	15,615

¹ Operating leases for office accommodation are non-cancellable and have a renewal option that is exercisable at market prices. Lease payments are generally fixed, and no lease arrangements create restrictions on other financing transactions.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018-19

Note 15: Contingencies

Accounting Policy:

Recognition – Contingent assets and liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Litigation in progress

As at 30 June 2019, 22 cases were ongoing before various courts, naming the CCC as either an applicant or respondent:

	2019 Number of cases	2018 Number of cases
Court of Appeal/High Court	3	1
Supreme Court	5	2
Queensland Civil and Administrative Tribunal (QCAT)	14	9
Total	22	12

It is not possible to make a reliable estimate of the final costs, if any, that could be recovered or payable from these cases at this time.

Note 16: Financial Instruments

Accounting Policy:

Recognition –

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the CCC becomes party to the contractual provisions of the financial instrument.

Classification and Measurement – Financial instruments are classified and measured as follows:

Financial Assets:

- Cash and cash equivalents – held at fair value through profit and loss
- Receivables – held at amortised cost

Financial Liabilities:

- Payables – held at amortised cost



CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018-19

Note 16: Financial Instruments (cont'd)

(a) Categorisation of Financial Instruments

The CCC has the following categories of financial assets and financial liabilities:

	Note	2019 \$'000	2018 \$'000
Financial assets			
Cash and cash equivalents	7	12,059	16,718
Contractual receivables		713	330
Total		12,772	17,048
Financial liabilities			
Contractual payables	9	3,134	4,629
Total		3,134	4,629

(b) Financial Risk Management

The CCC's activities expose it to a variety of financial risks — interest rate risk, credit risk, liquidity risk and market risk. The CCC provides written principles for overall risk management as well as policies covering specific areas. These policies focus on the financial performance of the CCC. All financial risk is managed by the Corporate Services Division under policies approved by the Commission.

Credit Risk Exposure

Credit risk exposure refers to the situation where the CCC may incur financial loss as a result of another party to a financial instrument failing to discharge its obligation. The CCC monitors exposure to credit risk on an ongoing basis.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment. The CCC manages credit risk by ensuring that it invests in secure assets and monitors all funds owed on a regular basis.

The following table represents the CCC's maximum exposure to credit risk based on contractual amounts net of any allowances:

Category:	Maximum Exposure to Credit Risk		
	Note	2019 \$'000	2018 \$'000
Financial Assets			
Cash and cash equivalents	7	12,051	16,710
Contractual receivables		713	330
Total		12,764	17,040

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired.

The CCC did not have any financial assets that were past due but not impaired in the current or previous period.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018-19

Note 16: Financial Instruments (cont'd)

(b) Financial Risk Management (cont'd)

Liquidity Risk

Liquidity risk refers to the situation where the CCC may encounter difficulty in meeting obligations associated with these financial liabilities that are settled by delivering cash or another financial asset.

The CCC manages liquidity risk by ensuring the CCC has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that sufficient levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the CCC.

Note	Payable in						Total		
	< 1 year		1–5 years		> 5 years		2019	2018	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	
Financial liabilities									
Contractual Payables	9	3,134	4,629	–	–	–	–	3,134	4,629
Total		3,134	4,629	–	–	–	–	3,134	4,629

Market Risk

Market risks refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The CCC does not trade in foreign currency. It manages price risk and interest rate risk through its liquidity management strategy and by ensuring that expenditure is within funding levels.

Exposure to interest rate risk is limited to cash assets bearing variable interest rates. The CCC minimises risk by investing in secure short-term investments, mainly fixed deposits, in accordance with Part 6 of the *Statutory Bodies Financial Arrangements Act 1982*.

(c) Fair Value

The fair value of receivables and payables is the transaction cost or the face value. The CCC considers that the carrying amount of receivables and payables represent fair value at the balance date because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

Note 17: Trust Transactions and Balances

Operational Activities

The CCC undertakes certain trustee transactions on behalf of individuals as a result of operational activities. As the CCC acts only in a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed separately under this note.

At 30 June 2019, the CCC held \$75,679.40 (2018: \$81,540.70) in trust for a number of benefactors as a result of operational activities.



CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2018-19

Note 18: Explanation of Major Variances

Note 18A: Explanation of Major Variances – Statement of Comprehensive Income

<i>Grants and other contributions:</i>	The decrease is mainly due to timing adjustments of \$2.620m in relation to the new ICMS and DWP.
<i>Employee expenses:</i>	The decrease is mainly due to delays in filling the additional front line investigator positions that were funded in 2018-19.
<i>Supplies and services:</i>	The decrease is mainly due to timing adjustments in relation to the new ICMS and DWP partially offset by higher levels of expenditure in repairs and maintenance and other supplies and services.
<i>Other expenses:</i>	The increase is mainly due to the loss on disposal of some property, plant and equipment (Refer to note 6).

Note 18B: Explanation of Major Variances – Statement of Financial Position

<i>Cash and cash equivalents:</i>	The increase in cash assets is mainly due to a lower level of capital spend of \$3.438m during 2018-19 than was budgeted.
<i>Intangible assets:</i>	The decrease in intangibles is primarily due to extending the timeframe for implementation of the new ICMS.
<i>Property, plant and equipment:</i>	The decrease in property plant and equipment is primarily due to timing adjustments of expenditure to 2019-20 in relation to the DWP and the reprioritisation of IT infrastructure replacement.
<i>Accrued employee benefits:</i>	The increase is mainly due to the annual leave levy payable owing at 30 June 2019 being higher than what was originally budgeted.
<i>Provisions:</i>	The decrease is due to a lower provision for restoration costs of office accommodation than was originally budgeted.
<i>Total equity:</i>	The decrease is mainly due to the deferral of \$2.578m in equity injections for the new ICMS and DWP.

Note 18C: Explanation of Major Variances – Statement of Cash Flows

<i>Grants and other contributions:</i>	The decrease is mainly due to timing adjustments of \$2.620m in relation to the new ICMS and DWP and \$1m in relation to delays in filling the additional front line investigator positions that were funded in 2018-19.
<i>Payments for intangibles and property, plant and equipment:</i>	The decrease is due to timing adjustments of expenditure to 2019-20 in relation to the new ICMS, DWP and the reprioritisation of IT infrastructure replacement.
<i>Equity injections:</i>	The decrease is mainly due to the deferral of \$2.578m in equity injections for the new ICMS and DWP.

CRIME AND CORRUPTION COMMISSION

Management Certificate for the year ended 30 June 2019

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Crime and Corruption Commission for the financial year ended 30 June 2019 and of the financial position of the Commission at the end of that year; and

We acknowledge responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Alan MacSporran QC
Chairperson
Crime and Corruption Commission

Date: 19/08/2019.



Jen O'Farrell
Chief Executive Officer
Crime and Corruption Commission

Date: 19/08/2019



Richard Bosanquet FCPA
Chief Finance Officer
Crime and Corruption Commission

Date: 19/8/2019

INDEPENDENT AUDITOR'S REPORT

To the Chairperson of the Crime and Corruption Commission

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Crime and Corruption Commission .

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and *Australian Accounting Standards*.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Responsibilities of the entity for the financial report

The Commission is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and *Australian Accounting Standards*, and for such internal control as the Commission determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Commission is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
 - Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with the Commission regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:
- a) I received all the information and explanations I required.
 - b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

21 August 2019

John Welsh
as delegate of the Auditor-General

Queensland Audit Office
Brisbane



06 Appendices

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Appendix A: Glossary of terms

CCC	Crime and Corruption Commission
CC Act	<i>Crime and Corruption Act 2001 (Qld)</i>
CMS	Case Management System
DWP	Digital Workplace Program
ELT	Executive Leadership Team
FTE	Full-time equivalent
GRC	Governance, Risk and Compliance system
ICP	Investigation Consultation Process
JAMC	Joint Assessment and Moderation Committee
OMCG	Outlaw Motorcycle Gang
PCCC	Parliamentary Crime and Corruption Committee
QAO	Queensland Audit Office
QCS	Queensland Corrective Services
QPS	Queensland Police Service
QSA	Queensland State Archives
TPDA	<i>Terrorism (Preventative Detention) Act 2005</i>



Appendix B: Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	4
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	4, 116
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	4, inside back cover, back cover
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	4
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	Inside back cover
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Inside back cover
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	8–11
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 10.2, 31 and 32	n/a
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	2, 6–7, 75
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	8–11, 20, 64, 72
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community 	ARRs – section 11.1	n/a
	<ul style="list-style-type: none"> Other whole-of-government plans /specific initiatives 	ARRs – section 11.2	27
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	3, 12–15, 17, 21–60
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	16
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	18–19, 80–81
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	6, 10, 52, 62–63, 65–66
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	62–66
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	4
	<ul style="list-style-type: none"> <i>Public Sector Ethics Act 1994</i> 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	69
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.5	n/a

ARRs Annual report requirements for Queensland Government agencies

Appendix B: Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	72–74
	• Audit committee	ARRs – section 14.2	73–74
	• Internal audit	ARRs – section 14.3	74
	• External scrutiny	ARRs – section 14.4	74, 76–78
	• Information systems and recordkeeping	ARRs – section 14.5	75
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	15, 52–55, 67–71
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	69
Open Data	• Statement advising publication of information	ARRs – section 16	4
	• Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	112
	• Independent Auditor’s Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	113–114

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs Annual report requirements for Queensland Government agencies



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