

Crime and Misconduct Commission Annual Report 2007–08

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The CMC fights crime and promotes integrity in Queensland

October 2008

The Honourable Mr Kerry Shine MP
Attorney-General, Minister for Justice and Minister
Assisting the Premier in Western Queensland
Parliament House
George Street
Brisbane Qld 4000

Dear Minister,

We are pleased to present the Annual Report 2007-08 for the Crime and Misconduct Commission. We certify that this Annual Report meets the prescribed requirements of the *Financial Administration and Audit Act 1977* (FAA Act) and the *Financial Management Standard 1997* (FMS) particularly with regard to reporting this agency's governance arrangements, objectives, functions and performance, as well as the agency's additional reporting and tabling obligations for this report.

A checklist outlining the governance, performance, reporting and procedure obligations contained in the legislation can be accessed at <www.cmc.qld.gov.au>.

Yours sincerely



Robert Needham, Chairperson



Dr David Gow, Commissioner



Ann Gummow, Commissioner



Ms Judith Bell, Commissioner

What we stand for

Our vision

That the CMC be a powerful agent for protecting Queenslanders from crime and promoting a trustworthy public sector.

Our mission

To combat crime and promote public sector integrity.

We value

- Integrity
- Accountability
- Excellence and innovation

Our strategic goals

- To prevent and combat crime.
- To promote high standards of integrity and reduce misconduct in the public sector.
- To provide an effective witness protection service.
- To be an effective and productive organisation serving all Queenslanders.

Our operating principles

- Act with independence, impartiality and fairness in the public interest.
- Show commitment to the rule of law.
- Embrace excellence, professionalism and teamwork in everything we do.
- Be responsible to our clients, and work collaboratively with our stakeholders.
- Respect and value our staff.
- Demonstrate leadership, innovation and flexibility in performing our duties.

Our communication objective

Our annual report enables the minister, the parliamentary committee, members of parliament and the people of Queensland to assess the efficiency, effectiveness and economy of the CMC, in accordance with the requirements of the *Financial Administration and Audit Act 1977*.

We report against the *Strategic Plan 2007–11* and the targets or estimates identified in the *Ministerial Portfolio Statement 2007–08*. The report details the CMC's key achievements in combating crime, promoting public sector integrity and protecting witnesses, and outlines our plans for 2008–09.

We are committed to open and accountable governance, and invite your feedback on this report. You will find our contact details on the inside back cover.

Highlights of the year 2007–08

Key achievements

Prevent and combat crime

- We dismantled two complex organised criminal networks, resulting in 21 individuals being charged with 47 offences in Queensland and South Australia, including seven of trafficking in dangerous drugs.
- We significantly disrupted the criminal activities of two outlaw motorcycle gang (OMCG) chapters in south-east Queensland.
- Our paedophilia-related investigations resulted in seven persons being charged with a total of 24 internet-related offences while non-internet-based investigations resulted in six persons being charged with 139 offences.
- We expanded our proceeds of crime activity with assets to the estimated value of \$18.56 million restrained in 2007–08.

Promote high standards of integrity and reduce misconduct in the public sector

- A long-running investigation of misconduct in the public sector resulted in further charges against a former government minister for corruptly receiving payments.
- We concluded in-depth examinations of nine key public sector agencies, including the Queensland Police Service, and made recommendations to enhance their capacity to prevent and deal with misconduct.
- Our capacity-building projects and activities reached more than 500 public sector managers from across Queensland in over 40 public sector agencies.
- We co-hosted the first Australian Public Sector Anti-Corruption Conference in Sydney in October 2007 with the Independent Commission Against Corruption (NSW) and the Corruption and Crime Commission (WA).
- During the lead-up to this year's local government elections, we ran a strong public campaign, together with the Local Government Association of Queensland, to reinforce to all candidates the importance of running a 'clean' campaign.

Provide an effective witness protection service

- In 2007–08, we ensured that all of our protected witnesses were kept safe and were able to give evidence in court, maintaining this 100 per cent success rate for the twentieth successive year. Over 1500 people have been successfully protected since the inception of the program.
- Evidence given by our protected witnesses played a key role in prosecutors being able to secure convictions across a wide range of organised and serious crime cases.

Engage in public policy

- Our review of the public nuisance offence found that the principal focus of the offence was on managing the behaviours of 'party people' and that this focus had strengthened over time in response to community concerns around public order. We made five recommendations to parliament to assist in policing public order.

Be an effective and productive organisation serving all Queenslanders

- We began a review of the organisation's strategic direction.
- We undertook a large infrastructure project to ensure the successful relocation of the organisation to Fortitude Valley early in 2008–09.
- A workforce management committee was established to address the consequences of a difficult labour market.
- We revised our risk management arrangements.

Financial summary

Revenue

The major source of the CMC's revenue each year is the operating grant received from the state government. For the year ended 30 June 2008, this was \$36.688m (97.07% of revenue), which for a full year is less than 2 per cent of the Queensland law, order and public safety policy budget.

Expenses

Most of the CMC's expenses for the period related to employees (\$27.750m), supplies and services (\$8.998m) and depreciation (\$1.030m). Total expenses were \$37.796m for the year ended 30 June 2008.

Assets

Total assets as at 30 June 2008 totalled \$22.269m. This is a significant increase of \$14.564m on the prior year, due largely to the CMC's investment in fitting out its new leasehold premises at Green Square in Fortitude Valley.

Liabilities

Total liabilities as at 30 June 2008 were \$7.630m. This included \$3.872m for the lease incentive liability for the new Green Square premises, \$2.304m for accrued employee leave entitlements, and \$0.839m for accrued expenses and trade creditors.

Net equity

As at 30 June 2008, the CMC's net equity was \$14.639m. The increase in equity is due to a capital injection of \$9.707m from government for the fit-out of our new premises at Green Square.

Operating result

The CMC had a balanced position for the year ended 30 June 2008 with expenses equalling revenue.

	\$'000
For the year	
Queensland Government grant	36688
Operating revenue	1 108
Total revenues	37796
Operating expenses	37796
Operating surplus (deficit)	nil
At year end	
Total assets	22269
Total liabilities	7630
Net assets	14639

Outlook for 2008–09

In 2008–09, the CMC will focus on activities that include:

- enhancing our hearings service to assist major crime investigations
- building the capacity of the Queensland Police Service and other public sector agencies to prevent and deal with misconduct and corruption
- initiating a range of research, intelligence and prevention projects and reviews
- ensuring our governance and infrastructure is current and effective
- improving our ability to attract and maintain an effective workforce.

Message from the Chairperson

It is over six years since the Crime and Misconduct Commission came into existence and in that time we have seen an increasing maturity in our relationships with law enforcement and public sector agencies.

In the public arena, the CMC continues to be most noted for its misconduct investigations. Understandably, the charging of a minister or senior public servant for official misconduct will usually generate news headlines and attract public attention. But some of our most important work goes on behind and beyond our investigations.

During the past year, the CMC worked with hundreds of public sector employees to ensure they understood what was expected of them as public servants when reporting or dealing with official misconduct. We liaised with and provided advice and training to a large cross-section of the public sector, particularly local government and regional offices of state departments. Through regional visits, corruption prevention seminars, workshops and printed materials, the CMC provided public agencies with tools and information to fight and prevent official misconduct.

It's heartening to see that agencies are increasingly aware of the need to equip themselves with the latest information on trends in corruption and strategies to reduce it. More than 500 delegates from around Australia and overseas attended the inaugural Australian Public Sector Anti-Corruption Conference (APSACC) held in Sydney late last year, co-hosted by the CMC along with the Independent Commission Against Corruption (NSW) and the Corruption and Crime Commission (WA). Queensland will host the next conference in July 2009.

Given the level of maturity I believe the Queensland public sector has now reached, the CMC is devolving more responsibility for complaints management back to agencies. It's not possible for a single organisation like the CMC to defeat misconduct on every front. Unless public sector staff take responsibility for misconduct that is occurring in their own area, a culture of integrity will never flourish. Equipping agencies to take on greater responsibility is the only way forward.

That doesn't mean that the CMC is washing its hands of misconduct complaints. This year the CMC strengthened its monitoring of how agencies dealt with complaints. We reviewed 251 individual complaint matters and audited the complaints processes of three large public sector agencies and the Queensland Police Service.



Chairperson Robert Needham.

We also carried out quality assurance reviews of the complaints management systems and integrity frameworks of five large agencies. Overall, the CMC was very pleased with the results. The majority of the reviews raised no significant concerns and the audits led to a number of recommendations that were well received by the agencies involved.

Of course, the CMC will always continue to investigate those matters that are more serious or systemic. In the past twelve months we completed 93 investigations, a figure which fell just below our intended target, and in the next twelve months we expect to undertake fewer. That's not to say we aren't continuing to combat corruption. Rather, we are concentrating our resources on the more complex matters, taking on those investigations that require our coercive powers and the skills of our multidisciplinary teams.

We also want to ensure that our investigations have far-reaching effects on the integrity of the public sector and thereby benefit all Queenslanders. For example, in May last year, we announced a public hearing into possible official misconduct by the former Director-General of the Department of Employment and Training, Scott Flavell.

The CMC examined Mr Flavell's role and possible conflicts of interest in establishing and developing a private skills training company while he was Director-General. The investigation evolved into a public hearing as the CMC saw that the matter of pre- and post-separation employment had broader implications for the Queensland public sector.

Our performance in the crime area has remained very strong. This year we well exceeded our estimated target for commencing tactical operations. In fact, comparing performance over five years reveals record levels of achievement in 2007–08 across many indicators including the number of crime operations, the percentage of finalised investigations resulting in charges, restraints or forfeitures, and the proceeds of crime restraining orders issued.

We have also seen a dramatic increase in the use of our coercive hearings power for helping police solve serious crime, such as murder, arson, extortion and rape. The Queensland Police Service has recognised how effective the CMC's hearings power can be when ordinary police powers and methodologies are not enough to gather vital information to solve crimes and to enable prosecutions.

During the year the CMC also made a significant contribution to state government public policy through its review of Queensland's new public nuisance offence. Our report recommended several changes to legislation to improve that law. Another research project was our review of the effectiveness of police powers introduced to deal with excessively noisy off-road motorbikes. Based on the number of public submissions we received, this is clearly an issue of considerable community concern. The CMC will consider all public opinion on the matter and report its findings to parliament.


Our inquiry into policing in remote Aboriginal and Torres Strait Islander communities continues to remain of great public interest, particularly for the state government and Indigenous communities. While we have not met the original timeframe for the release of the report, we are aware of its importance and are working to finalise our recommendations and table our report in parliament as soon as possible.

In last year's annual report I made the point that the CMC's mandate and capability must keep pace with changes in society if we are to remain effective. Since then, the CMC's misconduct hearings power has been challenged in the Supreme Court. While the judge's decision falls outside this reporting period, its implications for the CMC are too important to ignore in this year's message. Essentially, a witness successfully argued that he could refuse to answer questions during a CMC misconduct hearing where a claim of privilege about self-incrimination is made. This effectively rendered the CMC's misconduct hearings power redundant. The intention of the *Crime and Misconduct Act 2001* has always been that witnesses are compelled to answer questions, but the evidence cannot be used against them in civil or criminal proceedings. The recent court challenge highlighted ambiguities in our legislation and the need for our Act to be clarified. This has since occurred.

I am pleased to hear of the Queensland Government's intention to provide the CMC with telecommunications interception powers (TI). Generally regarded as one of the most effective investigative tools for law enforcement agencies, TI will significantly increase our capability, particularly in the areas of organised crime and internet paedophilia.

As with any organisation, there is always a need to re-examine the focus of our work. Given my previous comments about the maturity of the Queensland public sector and the devolving of more complaints to agencies, now is an ideal time for the CMC to re-evaluate its direction. This year we have embarked on a strategic review of the organisation to ensure we are investing our budget in the right areas. Constant renewal is essential for any agency to remain dynamic and relevant, and the CMC is not immune from that imperative.

Finally, I would like to thank the staff for all their hard work over the past year. I look forward to the coming twelve months as we settle into our new premises and continue to serve Queenslanders, striving to ensure high standards of public sector integrity and to protect the community from crime.


Robert Needham
October 2008

About the CMC

The Crime and Misconduct Commission (CMC) strives to protect Queenslanders from major crime and promote a trustworthy public sector.

Overview of the CMC

The CMC is an independent specialist agency set up to fight major crime and enhance public sector integrity in Queensland. Established under the *Crime and Misconduct Act 2001*, the organisation came into existence on 1 January 2002.

The CMC's active presence in our public life is a reassurance to Queenslanders that there is a vigilant independent body striving to ensure our public institutions are ethical and accountable, our police honest and efficient, our children safe, and our communities as free as possible from corruption and organised crime.

Our structure and accountability

The CMC is headed by a five-member Commission comprising the Chairperson (currently Mr Robert Needham), who is also the chief executive officer (CEO), and four part-time Commissioners who represent the community. Decisions made by the Commission are put into effect by the Executive Committee.

While independent of the government of the day, the CMC is fully accountable to the people of Queensland through the Parliamentary Crime and Misconduct Committee (PCMC), an all-party committee that monitors and reviews our activities and deals with complaints against us.

The CMC incorporates a breadth of professional expertise and experience.

Our Act mandates that the membership of the five-member Commission represent a depth of legal experience, demonstrated interest in civil liberties, and expertise in public sector management and review, criminology, sociology or relevant research, and that at least one member is a woman.

A similar range of expertise is represented in our staff. About 300 people work at the CMC, including lawyers, investigators, sworn police officers, social scientists, financial investigators, intelligence analysts, IT and surveillance specialists, administrators and support officers.

Figure 1 on page 7 is a representation of the CMC's structure and accountability. More information about our structure and governance can be found on pages 40–57.

The CMC Commission – membership at June 2008. A fourth part-time Commissioner will be appointed in 2008–09.



Chairperson
Robert Needham



Commissioner
Dr David Gow



Commissioner
Ann Gummow



Commissioner
Judith Bell

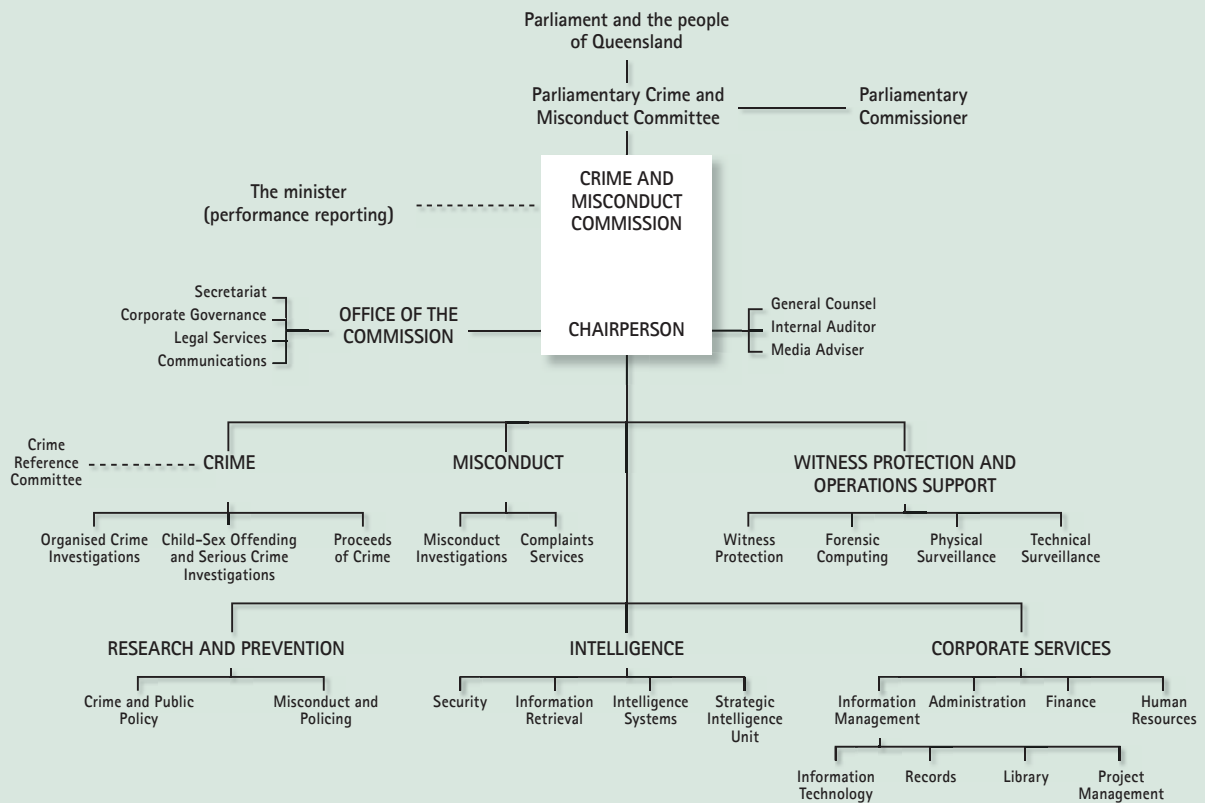
The Parliamentary Crime and Misconduct Committee as at 30 June 2008



Back row (left to right) Chair, Paul Hoolihan MP (Keppel); Deputy Chair, Howard Hobbs MP (Warrego); and Jack Dempsey MP (Bundaberg). Front row (left to right) Liz Cunningham MP (Gladstone); Dean Wells MP (Murrumba); Simon Finn MP (Yeerongpilly); and Christine Smith MP (Burleigh).

More information on the PCMC and its activities can be found on page 42.

Figure 1. CMC's structure and accountability



Major areas of activity

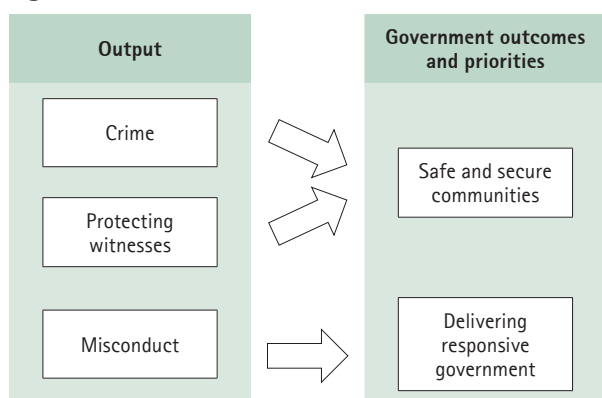
The CMC focuses on three main areas of activity, defined in our strategic plan for the period 2007–11 as 'outputs'.

These are:

- preventing and combating major crime
- promoting high standards of integrity and reducing misconduct in the public sector
- providing an effective witness protection service.

Our outputs contribute to *The Government's outcomes and priorities for Queensland* in 2007–08: 'Safe and secure communities' and 'Delivering responsive government', as illustrated in Figure 2.

Figure 2.



Preventing and combating crime

Our Crime staff work in partnership with the Queensland Police Service (QPS), the Office of the Director of Public Prosecutions and other law enforcement agencies to combat and prevent major crime, including organised crime, criminal paedophilia, serious crime and terrorism.

However, the CMC is not an alternative police service. We use our powers, expertise and resources to make a significant contribution to preventing and combating major crime. Our effectiveness is enhanced by our partnerships with other law enforcement agencies, especially the QPS.

Our intelligence work helps us decide which crimes pose the most serious threat to Queensland, and our research and prevention function helps us develop preventive strategies. For performance in 2007–08, see pages 14–23.

About major crime

Under the Crime and Misconduct Act, major crime encompasses:

- **organised crime** – criminal activity undertaken with the purpose of gaining profit, power or influence, and involving offences punishable by not less than seven years' jail, two or more people, and planning and organisation or systematic and continuing activity
- **criminal paedophilia** – criminal activity involving sexual offences against children, or child pornography
- **serious crime** – criminal activity involving offences punishable by not less than 14 years' imprisonment (e.g. murder, arson)
- **terrorism** (added by an amendment to our Act in 2004).

Promoting high standards of integrity and reducing misconduct in the public sector

Our misconduct jurisdiction includes all state government departments, the QPS, local governments, most public sector agencies and statutory bodies, universities, prisons, courts, tribunals and elected officials.

We receive and assess complaints about misconduct. While we refer most to the relevant agencies for handling, we monitor how those agencies, including the QPS, deal with them. We investigate the most serious cases of misconduct, or those that involve the public interest. In these ways we safeguard public confidence in the integrity of government agencies while encouraging agencies to take individual responsibility.

Our prevention activities help agencies reduce their risk of misconduct by improving their internal controls, accountability and integrity of operation. For performance in 2007–08, see pages 24–33.

About misconduct

Under the Crime and Misconduct Act, 'misconduct' refers to official misconduct or police misconduct, defined as follows:

- Official misconduct (which applies to all public sector officials, including police) is conduct relating to the performance of a public sector officer's duties or exercise of powers that is dishonest or lacks impartiality, or involves a breach of the trust placed in a person by virtue of their position, or is a misuse of officially obtained information. To amount to official misconduct, the conduct must be a criminal offence or serious enough to justify dismissal. Official misconduct includes conduct by anyone who seeks to corrupt a public officer.
- Police misconduct (which relates only to police officers) is any conduct – other than official misconduct – that is disgraceful, improper or unbecoming a police officer, or demonstrates that person's unfitness to be or continue as an officer, or does not meet the standard of conduct that the community reasonably expects of a police officer.

Providing an effective witness protection service

The Witness Protection area protects people who are in danger as a result of assisting a law enforcement agency such as the QPS. They include victims of crime, innocent bystanders to a crime, and anyone who has information about criminal or corrupt activity. The CMC has responsibility for the protection of witnesses for all Queensland law enforcement agencies. For performance in 2007–08, see pages 34–37.

Engaging in public policy

In recent years the CMC has been engaged with a fourth area of activity, involving projects with a significant criminal justice and public policy focus. For performance in 2007–08, see page 39.

Support activities

The following work areas support the CMC's major areas of activity.

Intelligence

The Intelligence area collects, collates and analyses information and intelligence relevant to our Crime, Misconduct and Witness Protection responsibilities.

It identifies and develops targets for CMC investigative action, provides strategic assessments and trends analysis on relevant matters, maintains an intelligence database, disseminates intelligence to law enforcement and government agencies, acts as a bridge between the Crime and Misconduct areas to facilitate exchange of information, and provides tactical information and intelligence support for investigative teams.

Research and prevention

The Research and Prevention area performs research into crime and the criminal justice system, misconduct and other policy and legislative issues. It may also undertake research into police methods of operation, police powers and their use, and the continuous improvement of the police service. It provides significant services relating to preventing crime and misconduct and building the capacity of agencies to prevent and deal with misconduct.

Operations support

Operations Support, led by the most senior police officer attached to the CMC, coordinates the activities of police working in the CMC, and provides expertise in surveillance, technical services and forensic computing.

Legal support

The Commission and operational areas of the CMC are advised and supported by in-house lawyers who either work in operational areas to manage the day-to-day legal needs of teams or in the CMC's legal practice operated by our Legal Services Unit and Office of General Counsel. The CMC's legal practice provides independent and specialist legal services mostly related to the CMC's functions and powers, administrative or judicial review, and statutory compliance.

Corporate support

A range of corporate services assist all areas of the CMC. They include providing a secretariat service to the Commission; managing corporate governance, human resources and information; and providing financial, administrative, communications and security services.

Collaborative partnerships

In combating major crime, we work closely with state, federal and international law enforcement agencies, participate in state and national law enforcement joint operations and forums, and share intelligence and operational resources. We also engage with other key agencies such as Queensland Corrective Services, and the Australian Transaction Report and Analysis Centre. Our witness protection role is dependent on the cooperation of other law enforcement agencies, especially the QPS.

Equally, close collaboration with public agencies is vital to our Misconduct work. We work with a wide range of agencies including state departments, local government agencies and universities, and agencies such as the Queensland Ombudsman, the Queensland Audit Office, and the Office of the Public Service Commissioner as well as anti-corruption agencies and networks, including those in other states.

Our research area works with universities and other specialist research and funding bodies; public service departments; participants in the criminal justice system; and policy makers. It also seeks active collaboration with the Queensland public, who this year contributed to our research findings through their survey responses and submissions on a range of topics such as public nuisance offences, off-road motorbike noise and policing in Indigenous communities.

Community engagement

We maintain an active outreach and education role within the Queensland community. Our staff present to audiences as diverse as local councillors, transport inspectors, teachers and secondary school students, trainee detectives and international delegations. We have a particular focus on working with Indigenous communities.

Topics that we addressed this year include identifying and managing conflicts of interest, best practice in fraud and corruption control, cyber bullying and internet safety in relation to paedophilia, the role of the CMC in criminal investigations, and accountability in procurement.

We liaise with the media and have an active publishing program, producing materials to suit a wide range of audiences. Some of our products, as required, are made available in community languages. All our publications can be accessed through our website <www.cmc.qld.gov.au>.

How matters come to the CMC

From time to time, the media reports that a particular matter has been referred to the CMC. Such matters vary greatly – from an allegation of misconduct about a public official by a member of the public, to a request from the Attorney-General to research a public policy issue and provide recommendations for amending legislation.

The following section explains how matters come to the main areas of the CMC.

Crime

The Crime Reference Committee (see membership on page 16) may refer major crime to the CMC for investigation on its own initiative, or at the request of the Commissioner of Police or the Assistant Commissioner, Crime. It refers major crime where a police investigation has not been, or is unlikely to be, effective using powers ordinarily available to police officers, and where it is in the public interest to do so.

In addition to referring specific matters, the committee has referred several broad areas of major crime (see box below). This allows us to investigate particular instances of organised crime, paedophilia and terrorist activity without a specific referral from the committee.

Broad areas of major crime referred to the CMC

Many of the CMC's organised crime and paedophile investigations are conducted under the broad major crime referrals which relate to criminal activity involving:

- members of established criminal networks
- money laundering
- outlaw motorcycle gang members or associates
- use of the internet to commit sex offences against children, or offences relating to obscene material depicting children
- extrafamilial paedophile activity by networked offenders or people who offend against multiple victims
- terrorist activity.

Misconduct

Possible misconduct within the Queensland public sector can come to our attention through complaints from members of the public and from within public sector agencies, and through the CMC's own investigative and intelligence activities.

CEOs (including Directors-General) of public sector agencies and other public officials are obliged by law to notify us of suspected misconduct.

Witness protection

Persons who have assisted a law enforcement agency, and who are in danger as a result of having done so, may be eligible for inclusion in our witness protection program. An application for protection is normally submitted to the Witness Protection Unit on behalf of the witness by the relevant law enforcement agency.

We received almost a hundred such applications in the last reporting year.

Public policy

Our public policy projects may arise from investigations, be referred by our minister under section 52(1)(c) of the Crime and Misconduct Act, or be required by other legislation.

In recent years we have undertaken reviews into areas such as policing in Indigenous communities, prostitution and the live adult entertainment industry in Queensland as a result of either legislative requirements or referrals from our minister.

The CMC's powers

Our Act has given us powers to enable us to gather vital evidence and information in the fight against crime and misconduct. These include a range of search, surveillance and seizure powers as well as the power to conduct coercive hearings.

The search, surveillance and seizure powers form an important aspect of CMC investigative activity, while the power to require a person to produce records or other items is used extensively in misconduct investigations, financial investigations into organised crime and money laundering, and confiscation investigations.

In the context of our crime investigations, we can have people arrested and charged. In the context of our official Misconduct functions, we can refer a matter to a prosecuting authority with a view to criminal prosecution, or to the appropriate CEO to consider disciplinary action. We can also charge public officers with official misconduct in a Misconduct tribunal.

Powers under the *Police Powers and Responsibilities Act 2000* can also be used, depending on the operation. Table 2, page 17 and Table 4, page 27 show how we used our powers in crime and misconduct investigations.

Nevertheless, the CMC is not a court. It cannot find people guilty or not guilty, or discipline anyone. Nor can it investigate:

- private sector matters, unless they arise out of dealings with the public sector
- issues arising in other states or territories
- federal parliamentarians, departments or agencies
- state parliamentarians and local councillors, unless their conduct could amount to a criminal offence.

About the CMC's powers

The CMC has power to:

- require a person to produce records or other things relevant to a CMC investigation
- enter a public sector agency, inspect any record or other thing in those premises, and seize or take copies of any record or thing that is relevant to a CMC investigation
- summons a person to attend a hearing to give evidence and produce such records or things as are referred to in the summons
- apply to a magistrate for a warrant to enter and search premises
- apply to a judge for a warrant to use surveillance devices.

The hearings power

The CMC is the only Queensland law enforcement agency with the power to conduct coercive hearings — that is, to require witnesses to attend hearings and answer questions even where the answers tend to incriminate the witness. Such answers cannot, however, be used against them in civil or criminal proceedings, unless those proceedings relate to the falseness of the answers.

The hearings power is a potent investigative tool because it greatly enhances our ability to break through the 'wall of silence' that frequently characterises major crime and misconduct. At the same time, we are conscious of the need to use this power in a discerning way, taking into account the public interest on the one hand and the rights of the individual on the other.

Oversight of our powers

We must apply to the Supreme Court before exercising some of our powers, and the Public Interest Monitor examines our applications for covert search warrants and surveillance warrants. More information about how our investigations and operations are overseen by external mechanisms is found on pages 42–43.

Safeguards to the use of the hearings power in the Crime and Misconduct Act

Our Act contains important safeguards to balance the use of the hearings power. For example, when a witness claims, on the grounds of privilege, that their answers may incriminate them, they can be directed to answer, but any answer they give cannot be used against them in criminal, civil or administrative proceedings.

In addition, the Act states a number of types of privilege upon which a witness can rely to refuse to answer questions, including:

- for a crime hearing, a witness can refuse to answer on the ground of legal professional privilege
- for a misconduct hearing, a witness can refuse to answer on the ground of legal professional privilege, parliamentary privilege and public interest immunity.

The Supreme Court of Queensland decides any unresolved claims of privilege by witnesses in CMC hearings.

In April 2008, the Supreme Court heard the case of *Witness D v CMC*, where doubts were raised about the clarity of the privilege provisions in the Act that a witness can rely upon.

In that case a witness successfully challenged a direction that they were required to answer a question in a misconduct hearing, claiming that they did not have to answer on the ground of privilege against self-incrimination.

Subsequently, our hearings power has been clarified by parliament.

Public inquiries

Complaints or issues brought to our attention sometimes involve wide-ranging allegations that have the potential to reduce public confidence in fundamental systems of public administration and government. Often, in these cases, there are numerous stakeholders who can provide important evidence and information on the conduct of individuals as well as insights into the processes adopted within the particular system.

The holding of public inquiries:

- allows a wider gathering of evidence and information on which to base findings and recommendations than may be possible during a normal investigation
- allows the public to be involved in the process of reform.

Our inquiry into policing in Indigenous communities continued this year, with a public forum held in Cairns (see page 39).

Prevent and combat crime

Our performance in 2007–08

We report on our performance in preventing and combating crime in 2007–08 against our *Strategic Plan 2007–11*, available at <www.cmc.qld.gov.au>, and the targets or estimates identified in the *Ministerial Portfolio Statement 2007–08*, available at <www.treasury.qld.gov.au>.

This chapter sets out our priorities and challenges, our key achievements and our results against performance indicators. It also details our work in crime, intelligence, research and prevention, and emerging technology, and concludes with our outlook for 2008–09.

Priorities and challenges

As described in our *Strategic Plan 2007–11*, in 2007–08 we placed specific emphasis on the following.

Fighting paedophilia

Our ongoing challenge in fighting paedophilia is to ensure that we use our resources in a way that does not simply duplicate the overall law enforcement effort in this field. We are constantly looking for ways in which we can uniquely add value to that effort.

The Cerberus (formerly Egret) team adopted new strategies to identify and investigate networked and serial paedophilia, including combining resources with other law enforcement agencies where appropriate. For more detail, see page 18.

Confiscating proceeds of crime

We recruited additional specialised staff to help meet the current and future demand for these services and expanded educational programs to police. Our challenges included finding adequate resourcing in an expanding field, and meeting the ever-increasing demand for proceeds of crime recovery. For more detail, see page 20.

Monitoring trends in organised crime

The priority we placed on monitoring trends in organised crime was reflected in our intelligence products. A major challenge is securing the resources to move beyond identifying and forecasting crime markets which will impact upon Queensland, to identifying the main players (Queensland and national) within those markets, how product will be transported to Queensland, and strategies to combat and disrupt the supply of product before it becomes a major issue in this state. For more detail, see page 21.

Key achievements

- All 26 organised crime and criminal paedophilia tactical investigations completed in the past year resulted in arrests and charges. Organised crime charges included trafficking in, producing and supplying dangerous drugs as well as money laundering and weapons offences. Paedophilia charges included indecent treatment of children, possession and distribution of child exploitation material, using the internet to procure children for sexual acts, and using the internet to expose children to indecent matter.
- Criminal groups engaged in large-scale drug production and trafficking were targeted by joint investigations with South Australia Police. Two complex organised criminal networks were dismantled with 21 individuals being charged with 47 offences in Queensland and South Australia, including seven charges of trafficking in dangerous drugs.
- The criminal activities of two outlaw motorcycle gangs in south-east Queensland were significantly disrupted through the effective use of CMC investigative hearings in conjunction with investigations undertaken by Task Force Hydra of the QPS.
- We conducted investigative hearings over a record 151 days in Brisbane, Cairns, Townsville and Toowoomba. More than 160 witnesses were called to give evidence in relation to a record 24 major crime investigations including unsolved murders, rape, fraud, drug trafficking, dealing in stolen goods, extortion, arson, child-sex offending, weapons-related activities and associated money laundering.
- We expanded our proceeds of crime activity with assets to the estimated value of \$18.56 million restrained and assets of a total value of \$4.68 million forfeited to the state.

Results against performance indicators

The data provided in Table 1 enable our performance for 2007–08 to be reviewed in the context of our major targets and estimates for this year, our results over the previous four years, and our expected performance for 2008–09. Data for other relevant performance measures is provided in Table 2 on page 17.

Table 1. Performance against strategic plan and MPS indicators 2003–04 to 2007–08, and estimated 2008–09

Performance indicators ^a	2003–04	2004–05	2005–06	2006–07	2007–08		2008–09 (estimate)
					(target or estimate)	(actual)	
Total crime operations commenced	24	23	23	25	20	35	20
Joint agency investigations commenced	24	21	10	12	10	26	15
QPS requests for investigation assistance responded to within 28 days	100%	100%	100%	100%	95%	100%	95%
Stakeholder satisfaction with the effectiveness of joint agency arrangements	100%	100%	100%	100%	95%	100%	95%
Percentage of finalised investigations resulting in charges, restraints or forfeitures	95	95	94	94	95	100	95
Percentage of matters assessed for confiscation potential within 48 hours	81	100	73	82	80	77	80
Proceeds of crime restraining orders issued	33	37	28	50	45	78	60
Estimated net value of assets subject to criminal proceeds confiscation action (\$'000)	10547	8088	10879	11743	10000	18561	12000
Estimated net value of assets forfeited (\$'000)	768	1622	2000	4245	4000	4675	4000
Proceeds of crime matters finalised	2	15	25	26	20	27	20
Intelligence projects finalised	16	13	10	10	10	10	10
Intelligence reports disseminated	391	398	316	376	350	323	300
Percentage of stakeholders satisfied with intelligence reports ^b	95	100	90	100	90	n/a	90
Research and prevention projects finalised	5	6	5	5	6	5	5
Percentage of reviewed research and intelligence publications which meet defined quality standards (external expert reviews) ^a	100	100	100	100	100	100	100
Expenses to achieve strategic goal 'To prevent and combat crime'	\$9.9m	\$10.4m	\$11.5m	\$11.3m	\$12.8m	\$12.2m	\$13.6m

a Where a strategic plan indicator is expressed in general terms, the equivalent MPS indicator (as more specific and measurable) is used instead.

b Reworded in 2005–06 to 'Percentage of stakeholders satisfied with intelligence services (stakeholder survey)'.

Major crime: key activity areas

The intense level of activity throughout 2007–08 is reflected in Tables 1 and 2 and Figure 3. For example, comparing performance over five years reveals record levels of achievements across many indicators including the number of crime operations, the number of hearing days, and the number and value of proceeds of crime restraining orders issued.

Overall, we commenced 35 tactical operations during 2007–08, considerably more than our estimated target of 20. This followed a higher than estimated number of investigations referred by the Crime Reference Committee and operations approved under broad referrals by the Crime Intelligence and Research Review Committee. In all, 114 persons were charged with 561 offences, resulting from investigations commencing either in 2007–08 or in previous years.

Organised crime

We seek to disrupt and dismantle organised crime networks and prevent crime through interrupting the flow or continuity of the criminal behaviour and/or enterprises, convicting key individuals, and/or financially incapacitating the networks by confiscating crime-related assets.

Our investigative priorities are based on risk assessment of the threat posed by criminal markets to the people of Queensland. This requires ongoing evaluation of these markets and the rating of networks and individuals operating within them.

The CMC has two multidisciplinary teams, the Gatekeeper and Silhouette teams, to undertake its organised crime investigations, which are frequently conducted jointly with the QPS and other law enforcement agencies. These teams comprise CMC police and civilian staff with skills in areas such as criminal investigation, intelligence analysis, law and forensic accounting. Gatekeeper and Silhouette members also work in partnership with other CMC officers with specialist skills in areas such as forensic computing, surveillance and information technology.

In addition to organised crime investigations instigated by the CMC and conducted by our teams, we frequently become involved in investigations led by the QPS and other agencies, where assistance is requested to progress or enhance investigations by the use of coercive hearings.

The Crime Reference Committee – membership at June 2008



CMC Chairperson
Robert Needham



CMC Assistant
Commissioner, Crime
John Callanan



Commissioner
of Police
Bob Atkinson



Commissioner
for Children and
Young People and
Child Guardian
Elizabeth Fraser



Community
representative
Johanna Bakermans



Community
representative
Diana Johnston

Requests for assistance of this kind increased markedly in 2007–08 and account, in part, for the number of operations commenced in excess of our annual target. (For examples of this use of hearings, see 'Serious crime and other hearings-based investigations' on page 19.)

- Organised crime investigations in which we were involved resulted in the arrests of 101 individuals who were charged with a total of 398 offences. These included trafficking in and supplying and producing dangerous drugs as well as offences involving money laundering, weapons and violence.
- Court proceedings were finalised in relation to one of Queensland's largest illegal drug syndicates which had been targeted in an earlier joint operation involving the CMC, the QPS and the Australian Crime Commission. During the 18-month operation, one of Queensland's largest illicit drug laboratories was discovered on a 16-hectare property near Miles, with large quantities of pseudoephedrine tablets also found at several properties around the state. These investigations had previously resulted in the jailing of 13 persons, including seven for drug trafficking with sentences ranging from 2½ to 11½ years. After a three-week contested sentence in early 2008 the alleged ringleader of this syndicate was sentenced to 13½ years' imprisonment and will serve 80 per cent of the sentence imposed as a result of being declared a serious violent offender.

Cross-border cannabis syndicates dismantled

Following information received from South Australia Police (SAPOL) and target development by CMC intelligence, a joint operation with SAPOL targeted a criminal group engaged in the large-scale production (in South Australia) and trafficking (in Queensland) of *cannabis sativa*.

It was established that persons in Adelaide coordinated the hydroponic production of high-grade cannabis by a 'collective' of growers, then packed the drug in sealed bags for transport to Queensland where it was distributed by two separate groups.

Twenty people were arrested and charged with 40 drug-related offences in Queensland and South Australia. Approximately 32 kilograms of cannabis with a value of about \$245 000 as well as \$268 000 in cash were seized during the operations, while crime proceeds action resulted in the restraint of assets to the value of about \$2.75 million.

The successful outcome of these operations highlights the need for diverse skills, including intelligence analysis and target development, covert surveillance, investigation, financial analysis of offenders, property portfolio and proceeds of crime recovery, in dismantling complex criminal networks.

Table 2. Results of investigations and use of CMC powers: 2002–03 to 2007–08

Performance measures	2003–04	2004–05	2005–06	2006–07	2007–08
Arrests	80	143	52	109	114
Charges laid	407	915	323	433	561
Drugs seized – estimated street value	\$0.082m	\$17.215m	\$0.327m	\$0.318m	\$0.284m
Investigative hearing days	87	35	104	81	151
Notices to attend hearing	86	41	113	75	177
Witnesses attending	81	37	92	66	163
Witnesses legally represented	31	9	17	26	64
Witnesses applying for financial assistance	1	3	2	6	4
Surveillance warrant operations	16	31	31	28	10

Criminal paedophilia

The CMC contributes to the fight against criminal paedophilia through the work of its multidisciplinary Cerberus (formerly Egret) team which comprises police investigators and civilians with legal and intelligence analysis skills. Like the organised crime teams, Cerberus works closely with other CMC officers skilled in physical and covert surveillance and forensic computer analysis as well as officers of the QPS, particularly officers of Task Force Argos and regional child protection and investigation units, and officers of other state and federal agencies.

In investigating criminal paedophilia we strive to add value to the work of other law enforcement agencies by focusing on networked or recidivist extrafamilial child-sex offenders and the use of the internet by child-sex predators.

- In 2007–08, as a result of internet-based investigations seven people were charged with a total of 24 offences, including using the internet to expose a child under 16 to indecent matter, using the internet to procure a child under 16 to engage in a sexual act, and the possession and online distribution of child exploitation material.
- Non-internet-based investigations resulted in six persons being charged with 139 offences, including indecent treatment of children under 12, 14 and 16 and possession of child exploitation material.

Courts tough on child pornography offenders

Strategic investigation and targeting of offenders possessing and distributing large quantities of child exploitation material within the online file-sharing environment resulted in the identification and arrest of four significant offenders this year. One offender was sentenced in the Brisbane District Court in February 2008 for possessing and distributing more than 11 000 child abuse images, movies and stories, and received a custodial sentence of 3½ years' imprisonment. In September 2008, the Court of Appeal upheld the sentence of 3½ years' imprisonment but added a recommendation for early release on parole.

- A significant focus on the investigation of networked high-risk child-sex prisoners released with Dangerous Prisoners (Sexual Offenders) Act (DPSOA) orders led to the establishment in May 2008 of a joint investigation by the Cerberus team, Task Force Argos of the QPS and Queensland Corrective Services. The operation has already shown results in the arrest and reincarceration in late May of 2008 of a DPSO releasee for breaches of his orders and for possession of child exploitation material.
- Presentations relating to internet safety and criminal paedophilia were provided to police detective training courses as well as to schools, community groups and others supporting children.
- We directed resources to continuing skills development for investigating offences committed within the online internet environment.

Terrorism

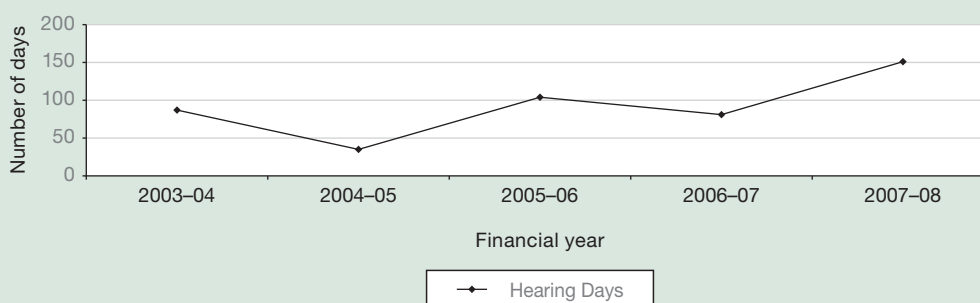
By statutory definition, our major crime role includes the investigation of suspected terrorist activity and we have a standing referral in relation to such activity. Any CMC investigation of terrorism will occur in response to a request from the QPS or other law enforcement agency, and we maintain a high state of readiness to respond to any such request.

Serious crime and other hearings-based investigations

The CMC joins with police in conducting hearings-based investigations into serious crime such as murder, arson, extortion and rape, and other kinds of major crime, when it is considered that ordinary police powers and methodologies are unlikely to be effective in gathering sufficient evidence to warrant a prosecution with reasonable prospects of success. Such investigations entail the use by the CMC of its coercive hearings power.

- During the year the CMC conducted several lengthy hearings programs in relation to a series of alleged acts of violence and property damage committed by members of two rival outlaw motorcycle gangs in south-east Queensland. The incidents under investigation occurred as part of an ongoing feud between the two clubs, and included a violent affray at Ningi and the arson of an OMCG clubhouse in Brisbane. The hearings significantly progressed the respective investigations, and all persons involved in the arson have since pleaded guilty and have been sentenced by the courts. One person has also pleaded guilty to a charge of perjury arising from evidence given by him at a CMC hearing. Numerous serious charges have since been laid against the persons allegedly involved in the Ningi incident and these matters are still before the courts.
- In late 2007 the CMC investigated the circumstances surrounding the murder of an 18-year-old man on a rural property in south-west Queensland. The man's 16-year-old brother had been charged with the murder and an older associate had been charged with being an accessory after the fact to the murder. At the request of the QPS, the CMC held hearings to explore a suspicion that the associate may have had a greater involvement in the matter than had been established by the police investigation. In the event, the hearings did not yield any evidence to substantiate the suspicion.
- Hearings were also held in relation to the following:
 - suspected criminal activity including murder, attempted murder and drug trafficking by persons based on the Gold Coast
 - the alleged gang rape of a 17-year-old female in Brisbane
 - a suspected real estate fraud on the Gold Coast
 - the investigation of two separate networks allegedly engaged in the hydroponic production of cannabis in north Queensland
 - the suspected existence of a network of child-sex offenders in north Queensland
 - an alleged extortion on the Gold Coast in 2006
 - an unsolved suspected murder on the Sunshine Coast.

Figure 3. Investigative hearing days 2003–04 to 2007–08



Proceeds of crime

Through our proceeds of crime team, we work to remove the financial incentive for crime by identifying and recovering assets gained through illegal activity. We undertake proceeds of crime restraint and forfeiture action in relation to proceeds derived from criminal activity investigated by us and by other law enforcement agencies.

The CMC has responsibility for administering the civil confiscation scheme under the *Criminal Proceeds Confiscation Act 2002*. Under the Act, property is liable to be restrained if it belongs to, or is under the effective control of, someone who is suspected of having engaged in serious criminal activity in the past six years. Restrained property is liable to be forfeited unless a person proves, on the balance of probabilities, that it was lawfully acquired.

- In 2007–08, the CMC exceeded its targets across all of its performance measures relating to proceeds of crime recovery.
- As planned in 2006–07, we expanded our proceeds of crime activity. As a result we obtained 78 orders from the Supreme Court, resulting in the restraint of assets valued at \$18.561 million, well exceeding our target of \$10 million (see Figures 4 and 5).

- We finalised 27 matters (exceeding the target by seven), resulting in \$4.675 million being forfeited to the state through negotiated settlements. (The making of a restraining order by the Supreme Court represents the initial step in confiscation proceedings under the civil confiscation scheme. As with any other form of litigation there is a time lag between the initiation of proceedings and the final determination.)
- Since the Criminal Proceeds Confiscation Act commenced on 1 January 2003, there has been a progressive annual increase in restrained and forfeited funds through activity by the CMC and partner agencies. Since 2003 \$66.951 million in assets have been restrained and \$13.3 million forfeited to the state.
- We recruited additional specialised staff to assist the CMC to meet the current and future demand for its services. We also expanded our information program, with educational lectures given to detective training courses and additional presentations delivered in QPS regions.

Figure 4. Estimated net value of assets restrained and forfeited, 2002–03 to 2007–08

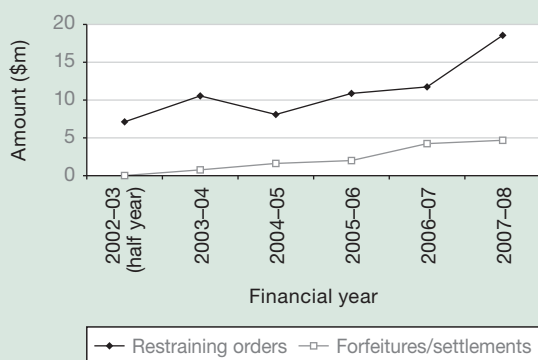
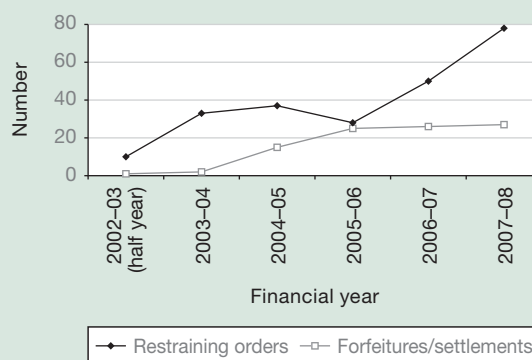


Figure 5. Restraining orders made and matters finalised, 2002–03 to 2007–08



Intelligence

Strategic reporting, target development and operational support are key functions for intelligence officers across the CMC. We also register, review and audit the collection of CMC human source intelligence.

Strategic intelligence assessments

Strategic intelligence assessments interpret trends and predict changes in the criminal environment and assess the risks posed by particular criminal activities and networks. They help the CMC, other law enforcement agencies and policy makers to make decisions about priorities and resourcing, and to develop legislative, policy and operational responses to current and emerging threats in the criminal environment.

- In September 2007 we released Crime Bulletin number 8 entitled *The cocaine market in Queensland: a strategic assessment*. The report examined trends and issues for cocaine use and the status of the market in Queensland.
- A classified assessment of organised crime involving persons of Middle-Eastern ethnicity was produced for law enforcement agencies in April.
- As part of our intelligence sharing with other Australian law enforcement agencies, we provided information about criminal networks and activities in Queensland for the Australian Crime Commission's national criminal threat assessments as well as its principal strategic intelligence product, *Picture of criminality in Australia*.
- Enhanced intelligence sharing including through the OMCG National Intelligence Task Force contributed to the successful targeting this year of OMCGs in Queensland and nationally.
- Intelligence and information collection has begun on our 2008–09 organised crime markets assessment for Queensland (Krystal 3), a key strategic intelligence resource produced by the CMC every four years. The assessment will describe the current organised crime landscape and discuss the main illicit markets that drive organised criminal activity in Queensland.

Target development

Target development involves identifying indicators of potential significant criminal activity or misconduct by one or more individuals, and collecting and analysing data to determine the nature, level and extent of activity by an individual or network. During 2007–08 our strategic intelligence area referred three crime matters to the CMC's organised crime teams for investigation as well as referring a number of matters to the Australian Crime Commission, the QPS and other agencies.

Intelligence collection

Due to loss of key staff over the last year our human source coverage was limited compared to previous years. This will be addressed as a priority in 2008–09.

- During 2007–08 we provided advice and assistance to the QPS as it reviewed its human source policy and operations. We also provided specialised human source operations training for officers from the Office of Police Integrity in Victoria.
- While our human source policies and specialised training remain well regarded nationally, we are reviewing them to ensure that CMC practices reflect recent changes and developments.

Intelligence disseminations

In 2007–08 we uploaded 190 reports, such as information reports, offender profiles and post-operational assessments to the Australian Criminal Intelligence Database. We also disseminated intelligence and information to other law enforcement and misconduct agencies in response to their requests for information.

We contributed to state and national crime and corruption intelligence and investigation forums including:

- the National Criminal Intelligence and Operations Forum
- the Australasian Human Source Working Group
- OMCG National Intelligence Task Force
- Parliamentary Joint Committee on the Australian Crime Commission.

Research and prevention

During the 2007–08 year we finalised several long-term projects on the use of illicit drugs; others will continue over the next several years. In the future the Research and Prevention area will be focusing more on child sexual abuse.

Child sexual abuse

Our Research and Prevention unit is examining the most recent policy and legislative developments, services, early intervention and treatment programs, and issues about child sexual offences in Queensland and other jurisdictions (including interstate and international jurisdictions).

Research and Prevention staff represent the CMC on the Child Responsive Communities (CRC) Working Group, a whole-of-government working group tasked with implementing a pilot study in an Indigenous community. The study aims to encourage disclosures of child sexual abuse and to enhance the response by local services to those disclosures.

We also support our anti-paedophilia Cerberus team in relation to child sexual abuse issues.

Crime prevention

In August 2007 we released the results of Project Opal (Offending Persons across the Lifecourse). Its major report, *Breaking the cycle: a study of victimisation and violence in the lives of non-custodial offenders*, was disseminated to key agencies such as Queensland Corrective Services; results have also been presented to a variety of audiences at universities and conferences. The report continues to attract attention, being accessed approximately 60 times a month from our website.

The data collected for Project Opal has also been used to produce two research and issues papers and a conference paper:

- *Childhood physical abuse and adult offending: are they linked and is there scope for intervention?* (August 2007) reveals that physically abused offenders report higher rates of violent, property and total offending than non-abused offenders, and discusses practical opportunities for minimising or preventing the criminogenic consequences of physical child abuse.
- *Mandatory treatment and perceptions of treatment effectiveness: a Queensland study of non-custodial offenders with drug and alcohol abuse problems* is in

preparation. It considers the relative impacts of voluntary or mandatory treatment for drug and alcohol abuse on perceptions of treatment effectiveness among study participants. The study concludes that mandatory treatment may be as effective as voluntary. The paper is intended to assist policy makers and treatment providers implement appropriate programs, and will be released early in the next reporting period.

- In September 2007 we presented at the Australian and New Zealand Society of Criminology (ANZSOC) conference in Adelaide. The presentation examined the prevalence among Project Opal offenders of sexual victimisation in both childhood and adulthood.

Illicit drug use

Our report entitled *Drugs and crime: trends among watch-house detainees* (March 2008) examined the drug use patterns and criminal behaviour of detainees from various watch-houses in Queensland, New South Wales, Western Australia and South Australia through the Drug Use Monitoring in Australia (DUMA) data collected by the Australian Institute of Criminology, state police services and local researchers. It is believed to be the first report of its kind to make direct state comparisons on illicit drug use in watch-house detainees, and to monitor drug usage in watch-house detainees in Queensland over time.

Research work continues on the following projects:

- Natural History of Young Amphetamine Users – a collaborative project with the University of Queensland (Queensland Alcohol and Drug Research and Education Centre) and Queensland Health to undertake a longitudinal study of young amphetamine users.
- Alcohol and Illicit Drug Use by People Presenting at Emergency Departments – the second survey in a series which monitors illicit drug use in a random sample of emergency department patients in Queensland. The report will be released early in the next reporting period.
- Post Release Recidivism (Drug Offender) Study – a joint project with the Australian Institute of Criminology (AIC) which assesses the rates of recidivism amongst male inmates who participated in the DUCO (Drug Use Career Offending) study conducted by the AIC in 2001.

Further detail about our research publications and projects may be found on our website at <www.cmc.qld.gov.au>.

Emerging technology

The emergence of e-crime and identity crime requires that law enforcement agencies like the CMC, both alone and in strategic partnerships, maintain a level of technical sophistication which at least matches that of offenders. This is particularly the case in the area of internet offending by paedophiles, where the willingness of offenders to adopt new technology and use newly developed encryption devices presents a constant challenge. The CMC has responded by continual training of its staff and enhancement of its technical capabilities. We welcome the Queensland Government's announcement of its intention to provide the CMC with TI powers.

The adoption of new and efficient technology is crucial to the CMC's commitment to preparing high-quality electronic court briefs in all its investigations to facilitate the presentation of complex cases to defendants and their lawyers and, ultimately, the courts.

The benefits of the e-brief beyond its primary law enforcement function has been explained to various stakeholders in presentations at the 2008 Law and Order Symposium and the 2008 Annual Queensland Magistrates Conference, as well as in demonstrations to other law enforcement agencies.

An early version of the e-brief was used in presenting the prosecution case in a complex contested drug trafficking sentence in March 2008. The judge in that matter particularly acknowledged the enormous assistance that the court derived from having evidence in complex and protracted investigations presented in this manner, resulting in substantial savings of court time.

Crime: outlook 2008–09

In 2008–09 we will:

- Devote increased resources to providing an efficient, increased and timely hearings service to meet partner-agency demand.
- Continue to focus on 'niche' areas of child-sex offending without duplicating the work of other agencies. This includes working with other agencies to explore innovative ways of combating paedophilia.
- Continue to play a lead role in the civil confiscation scheme.
- Complete a strategic assessment of organised crime markets in Queensland. The resulting trends and issues paper will assist the CMC, law enforcement agencies and others in their responses to counter the threat of organised crime.
- Continue our involvement with the Child Responsive Communities (CRC) Working Group.
- Begin an evaluation of the intervention proposed by the CRC working group in an Indigenous community.
- Recruit participants into the Natural History of Young Amphetamine Users joint project and begin data collection.
- Continue our review of the latest information about child-sex offence issues; we expect to publish a series of brief research and issues papers during 2008–09.
- Continue our analysis of drug offending recidivism rates with the Australian Institute of Criminology and begin a study of sex-offending recidivism among the same sample of offenders.

Promote high standards of integrity and reduce misconduct in the public sector

Our performance in 2007–08

We report on our performance in promoting integrity and preventing misconduct in 2007–08 against our *Strategic Plan 2007–11*, available at <www.cmc.qld.gov.au>, and the targets or estimates identified in the *Ministerial Portfolio Statement 2007–08*, available at <www.treasury.qld.gov.au>.

This chapter sets out our priorities and challenges, our key achievements and our results against performance indicators. It also details our Misconduct functions including specific activities with the public sector and the QPS. It concludes with our outlook for 2008–09.

Priorities and challenges

As described in our *Strategic Plan 2007–11*, in 2007–08 we placed specific emphasis on the following.

Building the capacity of agencies to prevent and deal with misconduct

Given the strong public interest in how complaints against police officers are managed, we have given a strong priority to working with the QPS to develop more robust, effective and timely complaints management and disciplinary systems (Project Verity). For more detail, see page 32.

Monitoring the responsibilities devolved to agencies

To meet our monitoring responsibilities, we put significant effort into further developing our in-house expertise in quality assurance reviews and various types of audits. We gave our officers more training in our monitoring tools and how to use them in the context of agencies' core business and legislative and policy frameworks. For more detail, see page 26.

Balancing our investigative and capacity-building activities

It is important that we balance the costs of potentially lengthy investigations with a longer-term investment in the capacity of the agencies themselves. For this reason, all our investigations are undertaken with a view to identifying and addressing any systemic or procedural weaknesses in the agencies concerned. The reports of two long-running investigations, to be published in the next reporting period, will reflect that balance. For more detail, see page 27.

Key achievements

- A long-running investigation of misconduct in the public sector resulted in further charges against a former government minister for corruptly receiving payments.
- In 2007–08, we concluded our in-depth examinations of the complaints management and/or integrity frameworks of nine key public sector agencies, including the QPS, and made recommendations to enhance the agencies' capacity to prevent and deal with misconduct.
- Our various capacity-building projects and activities reached over 500 public sector managers from across Queensland in over 40 public sector agencies.
- We co-hosted the first Australian Public Sector Anti-Corruption Conference in Sydney in October 2007 with the Independent Commission Against Corruption (NSW) and the Corruption and Crime Commission (WA).
- During the lead-up to local government elections in Queensland earlier this year, we ran a strong public campaign, together with the Local Government Association of Queensland, to reinforce to all candidates the importance of running a 'clean' campaign.

Results against performance indicators

The data provided in Table 3 enable our performance for 2007–08 to be reviewed in the context of our major targets and estimates for this year, our results over the previous four years, and our expected performance for 2008–09.

Misconduct: key activity areas

Experience in Queensland and elsewhere suggests that for the public sector to ensure a strong culture of integrity and minimise the risk of misconduct, public sector managers themselves must take responsibility for the culture and behaviour of their staff and for preventing misconduct.

For this reason, the CMC does more than simply focus on investigating serious cases of possible misconduct. Our misconduct function comprises:

- an effective and efficient complaints-handling process
- a robust monitoring regime
- investigations
- a concerted program of capacity-building and research activities, with a strong prevention focus.

All our activities are focused on improving public sector conduct.

Complaints received and assessed

There has been a slight decline in complaints received in the last two years, in comparison with the three years prior. It is difficult to predict the number of misconduct complaints that will be referred to the CMC in any year, but we continue to achieve the target of assessing at least 85 per cent of them within four weeks of receipt.

Overall numbers

This year, 3678 misconduct complaint matters were assessed by the CMC.

The matters received contained over 9000 separate allegations of misconduct (one complaint may consist of a number of allegations). Of these allegations 56 per cent related to police, 32 per cent to public sector agencies, 10 per cent to local government, and 2 per cent to the remainder (primarily politicians).

Table 3. Performance against strategic plan and MPS indicators 2003–04 to 2007–08, and estimated 2008–09

Performance indicators	2003–04	2004–05	2005–06	2006–07	2007–08		2008–09 (estimate)
					(target or estimate)	(actual)	
Misconduct matters assessed	3965	4419	3924	3565	3800	3678	3800
Percentage of matters assessed within four weeks	85	90	93	92	85	85	85
Misconduct investigations finalised	105	109	110	107	100	93	90
Percentage of investigations completed within 12 months	84	77	68	76	80	76	80
Percentage of audited investigations which meet quality standards	100	100	100	93	90	100	90
Research, intelligence, capacity building, prevention and monitoring projects finalised	31	32	31	33	26	41	26
Percentage of external agencies assessing prevention services as valuable	100	100	100	75	75	92	75
Percentage of reviewed research and intelligence publications which meet defined quality standards (external expert review)	100	100	100	100	100	n/a ^a	100
Percentage of misconduct operations and projects that incorporate communication strategies	100	100	100	100	100	100	100
Expenses to achieve strategic goal 'To promote high standards of integrity and reduce misconduct in the public sector'	\$17.8m	\$18.8m	\$20.2m	\$20.0m	\$21.5m	\$20.5m	\$23.0m

a There were no research or intelligence publications which met the definition for external review in 2007–08.

Sources of complaints

Complaints about possible misconduct come to the CMC from a number of sources, including the general public and public sector agencies.

Of the complaints against police in 2007–08, 56 per cent were made direct to the CMC by members of the public; 41 per cent were referred to us by the QPS (and 28 per cent of these were made by members of the public direct to the QPS).

In contrast, only 20 per cent of complaints about public sector agencies (excluding local government) were made direct to the CMC by the general public in 2007–08; 74 per cent came from the agencies themselves (and 23 per cent of these were received from the public).

In terms of local government, excluding Indigenous councils, 37 per cent of complaints received in 2007–08 were made direct to the CMC by the general public; 56 per cent came from the CEOs of local councils (and 18 per cent of these came from the public). For Indigenous councils, 38 per cent of complaints in 2007–08 were made direct to the CMC by the general public; 45 per cent came from the CEOs (and 9 per cent of these came from the public).

Assessment of complaints

Eighty-two (82) per cent of all complaints were referred to the relevant agency to deal with, subject to monitoring by the CMC. Twelve (12) per cent of these complaints were monitored through review.

Sixteen (16) per cent of all complaints were determined by us to warrant no further action. Less than two (2) per cent of all complaints were retained by us for investigation.

Monitoring of agencies

To maintain the integrity of the complaints process, and to safeguard public confidence in it, the CMC monitors how public sector agencies handle the complaints that we refer to them. This may involve:

- overseeing an agency's investigation while it is taking place (including, on occasions, assisting in interviewing witnesses), or
- reviewing the finalised investigation report before any disciplinary or other managerial action is taken, or
- after the matter was finalised, reviewing how the agency dealt with the complaint, or
- auditing the way agencies have dealt with complaints that we have referred to them.

This year we undertook reviews of 251 individual complaint matters (135 public sector matters, 116 police matters; these will be discussed in more detail in the public sector and police sectors respectively). In most cases, we had no significant concern about the way in which the complaints had been dealt with. In some cases we requested further inquiries be carried out, and made some recommendations to improve outcomes and improve future management.

We completed five audits: three for public sector agencies (detailed on page 29) and two for the QPS (detailed on page 32).

Why we refer matters to agencies

As stated, in 2007–08 we referred 82 per cent of complaints to agencies to deal with. There are several reasons for this.

Receiving and assessing a high volume of complaints gives us an insight into the culture and performance of public sector agencies. It also reassures the public that an oversight body is being made aware of issues as they arise.

Of the complaints we receive, a significant percentage come from public sector agencies. In part, this is because there is a low threshold for referral – by law, there need only be a suspicion of official misconduct for an agency to be obliged to report it to us. On closer examination of the complaints, many of them clearly do not involve official misconduct.

Managing complaints is not only about dealing with inappropriate conduct by agency employees. It is also an opportunity to identify and address any wider systemic issues such as agency-wide policy or procedural deficiencies, an inappropriate workplace culture, or a failure of standards.

More and more, agencies are accepting responsibility for managing the culture and conduct of their staff. That is why, wherever possible, we refer complaints to the relevant agency to deal with.

Misconduct investigations

We concentrate our efforts on matters such as major fraud within government agencies, police corruption and sensitive political matters. As part of the investigation process, we focus on identifying agencies' systemic or procedural weaknesses and develop recommendations to help them prevent recurrences.

A successful conclusion to a CMC investigation may be the bringing of criminal charges or, just as importantly, the clearing of a person's name or the restoring of public confidence in a public sector activity or agency, a politician or the police.

In our pursuit of corruption and other serious misconduct, we use specialised resources in intelligence, financial analysis and forensic computing as well as proactive and covert investigative techniques.

We can also use our powers, including the power to compel people to attend investigative hearings. Table 4 shows the number of times such powers were exercised in 2007–08 and in the preceding four years.

We increasingly conduct investigations cooperatively with agencies in order to build their capacity to investigate and deal with potential misconduct matters. This may involve providing agencies with investigators to conduct interviews and financial investigators to obtain documents from third parties using our 'notice to discover information' powers. It could also include an officer from the agency being embedded in the CMC's multidisciplinary team.

- In 2007–08, we finalised¹ 93 misconduct investigations, 64 of which related to the QPS, 16 were public sector agency complaints, and 13 related to local government.
- Seventy-six (76) per cent of these investigations were completed within 12 months.
- The decrease in the number of investigations finalised in recent years reflects our concentration on those matters involving the more complex, systemic and contentious allegations of misconduct.
- In relation to the 93 investigation matters finalised in 2007–08, the CMC recommended a total of 152 charges against 48 people: 100 were criminal charges and 52 were disciplinary charges.
- A total of 216 criminal and disciplinary charges were recommended as a result of all CMC investigations being undertaken in 2007–08 – i.e. for investigations finalised in 2007–08 and for other ongoing investigations.
- The majority of the criminal charges are presently in the court system. Most of the disciplinary charges relate to QPS officers, and many of these charges are still proceeding through the disciplinary process.

¹ 'Finalised' means that CMC involvement is effectively completed, although the matter may have been referred for prosecution or disciplinary action.

Table 4. Use of CMC powers for investigating misconduct, 2003–04 to 2007–08

Description	2003–04	2004–05	2005–06	2006–07	2007–08
Use of powers:					
Power to enter	6	6	15	3	0
Notices to discover information	224	158	223	198	139
Notices to attend hearing	42	39	71	121	54
Search warrant applications	34	17	22	24	4
Surveillance warrant applications	3	0	0	0	0

Misconduct investigations

A number of high-profile, long-running and complex investigations were undertaken in 2007–08. They include the following:

- In January 2008, the committal hearing began against former Queensland Government minister Gordon Nuttall and mining magnate Ken Talbot. Following a CMC investigation, Mr Nuttall was charged with corruptly receiving payments totalling almost \$300,000 from Mr Talbot between 2002 and 2005. The committal hearing has been adjourned to October 2008 and to December 2008 and will consider whether Messrs Nuttall and Talbot should stand trial on 35 counts of receiving and paying secret commissions during the period when Gordon Nuttall was a government minister. Mr Nuttall has also been charged with corruptly receiving \$60,000 in 2002 from lawyer Harold Shand, who has been charged with making the payment. The committal hearing for this matter commenced in August 2008, and further hearing dates are listed in December 2008.
- Allegations of corrupt conduct against Councillor Ray Duffy, the Mayor of the former Burnett Shire Council, were not substantiated. Other matters came to light during the investigation, which resulted in charges against Mr Duffy for alleged breaches of the *Local Government Act 1993*, and this matter is currently before the court. Mr Duffy was also charged with four counts of providing false and misleading information during the course of the CMC investigation, and in September 2007 was fined a total of \$8,000 in relation to two of these charges and sentenced to three months' imprisonment, wholly suspended for three years, on the remaining two charges. Mr Duffy has appealed his conviction and sentence, but a decision on his appeal has not yet been handed down.
- In early July 2007, the CMC investigated a complaint that the then Minister for Emergency Services, Pat Purcell, had allegedly assaulted two departmental officers. Subsequently, the minister resigned and publicly acknowledged hitting the two officers and apologised pursuant to a mediated result between the complainants and the former minister. The matter did not proceed to hearing.
- The CMC commenced an investigation in August 2007 after the QPS had received information alleging that motor vehicles owned by the Queensland Police Union of Employees were being sold to executive members of the union (police officers), or their families, at prices significantly below market value. No charges arose from the investigations. However, the CMC wrote to the Industrial Registrar about the processes through which the union officials involved in the sale of motor vehicles carried out their financial management duties under the *Industrial Relations Act 1999*.
- In December 2007, the Premier contacted the CMC regarding her concerns about allegations that Queensland Government ministers had instructed workers at the Department of Child Safety and Queensland Health not to tell police about hundreds of cases of suspected child abuse and neglect on Cape York. No evidence was found to support the allegations of improper intervention by a minister or senior public servant.
- In early February 2008, the CMC publicly reported that it did not find any evidence regarding a complaint that the former Director-General of the Department of the Premier and Cabinet, Ross Rolfe, had acted improperly in relation to government processes concerning the redevelopment of two property sites.
- In October 2007, the CMC commenced an investigation into an allegation of official misconduct by the former Director-General of the Department of Employment and Training, Scott Flavell. The investigation included Mr Flavell's role and possible conflicts of interest in the establishment and development of a private skills training company while he was Director-General. Following his departure from the public service, Mr Flavell was appointed as a director and the chief executive officer of the company (positions he no longer holds). As part of the investigation, the CMC held public hearings in relation to the matter in July 2008. The CMC will use the results of its investigation to look at possible recommendations to assist in dealing with pre- and post-employment issues involving ministers and senior executive officers in the public sector.

CMC work with the Queensland public sector

This section outlines our work with the Queensland public sector (excluding the QPS). It provides information about complaints against public sector officials, monitoring the public sector, capacity building, and research into the public sector.

Complaints against public sector officials

Misconduct allegations of assault, official conduct (such as inappropriate exercise of powers), victimisation/harassment, misappropriation, control of information, corruption and favouritism accounted for 70 per cent of the allegations against public sector officials.

Of the misconduct complaints assessed in 2007–08 relating to public sector agencies (excluding the QPS), 64 per cent of the subject officers were from five large departments – Health, Corrective Services, Education, Emergency Services and Child Safety. Twelve public sector agencies, including those five mentioned, accounted for 84 per cent of all subject officers for complaint matters assessed in 2007–08. This is no doubt indicative of the large scale of operations undertaken by these departments, their staff numbers, and the level and nature of their interaction with the public.

Monitoring the public sector

The CMC reviewed 135 complaints dealt with by public sector agencies, identifying issues to be addressed in specific cases.

We conducted compliance and integrity audits of the complaints dealt with by three large public sector agencies – the Department of Primary Industries and Fisheries, the Department of Natural Resources and Water, and the Department of Emergency Services. We examined a total of 47 complaints in the course of those audits. The agencies responded positively to our recommendations.

We completed quality assurance reviews of the complaints management systems and integrity frameworks of Queensland Health, Education Queensland, the Department of Child Safety, Queensland Corrective Services, and the Townsville City Council. In the course of each review we examined relevant documentation such as each agency's code of conduct, fraud and corruption control plan, complaints management policy and investigation manual and a sample of complaints dealt with by that agency. In total we examined 42 complaints during the reviews. Our recommendations for enhancing capacity were well received.

Monitoring integrity in the public sector

The CMC is responsible for monitoring the way in which agencies deal with individual complaints and we have a number of mechanisms for doing so.

Our reviews focus on individual complaints that are referred to agencies but which have been identified at our assessment stage as warranting scrutiny. (Reasons for this could include the need to maintain public confidence, or to follow up on possible systemic issues.) In reviewing the complaint, we focus on compliance and integrity in the way in which the complaints are resolved, prevention issues and any capacity deficiencies that the agency may have.

Our audits focus on such things as compliance with standards, integrity of the manner in which complaints are dealt with generally, timeliness, and the way in which an agency is dealing with particular types of alleged conduct, for example, reprisals against whistleblowers. The samples of complaints selected for these audits are taken from those referred to the agency to deal with, and which we have not individually reviewed ourselves.

Our quality assurance reviews look at an agency's integrity framework, including its policies, code of conduct, complaints and records management systems, and training and internal monitoring systems.

Capacity building in the public sector

To build agency capacity to reduce misconduct, we work in a variety of ways including direct outreach, undertaking joint ventures, developing relevant resources, working with Indigenous communities, and conducting research.

Direct outreach

- The CMC Chairperson and the Director, Complaints Services visited five Directors-General to hear any concerns they may have had and to reinforce with them the responsibilities of public sector managers for integrity, complaints management and misconduct prevention.
- During our regional visits to Townsville, Mt Isa, Rockhampton and the Gold Coast in 2007–08, we made 24 presentations to over 40 agencies representing state and local government, regional agencies and other stakeholders such as local police, Indigenous bodies, local legal aid agencies and law associations. These presentations included prevention workshops on topics such as conflicts of interest and ethical awareness, as well as workshops based on our publication *Facing the facts*. The latter are aimed at middle managers and human resource staff and outline agency obligations and options in managing misconduct, illustrated by real-life scenarios.
- Prevention and *Facing the facts* workshops were also conducted in south-east Queensland for middle and senior managers and staff from a wide range of public sector agencies. In addition, a number of specific workshops for managers and staff of individual agencies were held around the state.

Joint ventures

- We entered into protocols to deal with sharing of information and/or dealing with complaints with key agencies in the health sector (including the Health Quality and Complaints Commission), the Commission for Children and Young People and Child Guardian and the Queensland College of Teachers.
- We worked collaboratively with the Department of Local Government, Sport and Recreation, the Queensland Ombudsman, the Queensland Audit Office and the Local Government Association of Queensland to coordinate education materials and programs to councillors and staff following the 2008 local government elections.
- We worked closely with a range of relevant groups, such as the Corruption Prevention Network Queensland, the Queensland Public Sector Ethics Network and the Institute of Internal Auditors (Australia) to foster ethical conduct.
- In collaboration with the Independent Commission Against Corruption, we undertook a survey of public sector agencies to identify potential improvements for our Conflict of Interest Toolkit.
- We continued our involvement as an industry partner in *Whistling While They Work*, a three-year collaborative research project led by Griffith University and funded by the Australian Research Council. This project aims to enhance internal witness management in Australian public sector organisations. Following release of the initial research findings, the CMC released an updated version of its advisory guide, *Exposing wrongdoing: a CMC guide to whistleblowing in Queensland* in February 2008 and collaborated with the Queensland Ombudsman and the Office of the Public Service Commissioner to publish *Managing internal witnesses: a best practice checklist* in June 2008.

First Australian conference on corruption prevention in the public sector

The inaugural Australian Public Sector Anti-Corruption Conference (APSACC) was held in Sydney in October 2007. It was a collaborative undertaking between the NSW Independent Commission Against Corruption, the WA Corruption and Crime Commission and the CMC. The conference program comprised presentations and panel discussions relevant to all sectors of the New South Wales, Queensland and Western Australia public service (e.g. departments, state-owned corporations, local government, tertiary education institutions and police). Topics such as corruption risk management and conducting

investigations were included in the program. Over 500 Australian and international participants attended the conference.

The conference will be held every two years, with the next one in Brisbane in July 2009. The CMC will chair the organising committee.

A list of CMC presentations at APSACC can be found on page 63. Further information can be found at <www.apsacc.com.au>.

Resource development

Resources published in 2007–08 include:

- *Handling confidential information: guidelines and policy for local governments*
- two companion advisory papers entitled *Keeping your code of conduct relevant: guidelines for best practice* and *Keeping your code of conduct relevant: a best practice checklist*
- a prevention pointer entitled *Retention and disposal of council records: a guide for councillors and CEOs*, in conjunction with Queensland State Archives.

The CMC also contributed to the 2008 Councillor Information Kit, as part of a collaborative project with the Local Government Association of Queensland, the Department of Local Government, Sport and Recreation, the Queensland Ombudsman and the Queensland Audit Office.

Working with Indigenous communities

We continued to liaise with the Queensland Audit Office and the Department of Local Government, Sport and Recreation in dealing with complaints concerning Indigenous councils in Queensland. Our recently agreed memorandum of understanding detailed protocols for cooperation.

Researching the public sector

- In 2007, in collaboration with the NSW ICAC, we resurveyed public sector agencies and their staff to identify whether there had been any changes over time in:
 - the types and levels of misconduct risk associated with units of public administration
 - the capacity of units of public administration to respond to misconduct
 - the capacity of units of public administration to prevent future misconduct.

Preliminary results comparing Queensland and New South Wales were presented at APSACC in October 2007 and can be found on the APSACC website <www.apsacc.com.au>. We anticipate releasing a public report on the full study findings in the next reporting period.

Online resources

Our misconduct prevention materials are easily accessible on our website, and are some of the most popular areas visited. For example, the following pages are each downloaded more than a hundred times a month:

- *Facing the facts: a CMC guide for dealing with suspected official misconduct in the public sector*
- *Managing conflicts of interest in the public sector (toolkit)*
- *Fraud and corruption control: guidelines for best practice.*

- In 2007, in collaboration with Griffith University, we conducted a second survey of the ethical attitudes and perceptions of misconduct among staff working for correctional institutions in Queensland. We did this to assess whether there had been any change over time since an earlier survey conducted in 2001. Some positive changes were found and we will release a public report of these findings in the next reporting period.
- We released *Public perceptions of the Queensland public service and local government: findings from the 2005 Public Attitudes Survey*. The sixth in this series conducted since 1995, the survey:
 - assessed how the public view the behaviour and the 'image' of the QPS, public service departments and local government
 - examined the extent to which the public perceive there to be misconduct or lesser forms of improper behaviour within these organisations
 - ascertained the public's willingness to use complaints systems.

Overall, most respondents held a favourable view of the behaviour of public service and local government employees, stating that most were honest and generally behaved well. Over 85 per cent of respondents in each of the last three surveys agreed that there would always be some corruption in the public service and local government. Although there was some decrease in public confidence in the complaints processes for public sector and local government employees, where respondents had chosen to make a complaint, they were most likely to have reported the matter directly to the agency or local government in which the behaviour had occurred. A seventh survey was done in 2007 and its results will be released in the next reporting period.

CMC's work with the Queensland Police Service

This section covers complaints against police, monitoring the QPS, capacity building in the QPS, and researching police methods and practice.

Complaints against police

In 2007–08 the CMC recorded 1869 complaints involving allegations of 'official misconduct' by police or 'police misconduct', down slightly from the 2006–07 figure of 1887, but still higher than the 2005–06 figure of 1780.

Allegations of assault, official conduct (such as inappropriate exercise of powers), demeanour/ attitude, victimisation/harassment and custody complaints accounted for almost 65 per cent of the misconduct allegations against police.

Trends discernible from analysis of complaints data include:

- a state-wide decline in assault/excessive force allegations in 2007–08 across all police regions in Queensland
- slight increases in allegations of victimisation or harassment, issues relating to evidence, corruption or favouritism, and issues relating to custody compared to the two previous years.

Monitoring the QPS

The CMC reviewed 116 individual complaints against police dealt with by the QPS, identifying issues to be addressed in specific cases.

The CMC conducted two audits of complaints managed by the QPS.

- The first assessed the capacity of the QPS to correctly categorise 'breach of discipline' complaints and, accordingly, appropriately notify the CMC. The audit found that while the majority of matters were categorised appropriately, a number were not, resulting in some matters not being reported to the CMC. A number of recommendations were made to build the capacity of the QPS to appropriately categorise complaints. There was no evidence that the QPS had deliberately categorised the matters incorrectly so that they would not have to report them to the CMC.

- The other QPS audit was of a sample of those complaints determined by QPS to be connected with court proceedings. The audit found that a significant percentage of these complaints had been appropriately assessed by the QPS. The audit also identified some other issues in how the QPS deals with such complaints generally. A number of recommendations were made to assist the QPS in its decision-making about complaints.

In both these cases, we anticipate that our recommendations will be incorporated into the new QPS policy and procedures being developed as part of Project Verity (see below).

Research and Prevention staff continue to monitor new policing activities, policies and procedures – for example, relating to the use of electro-muscular disruption devices (Tasers). We continue to monitor QPS education and training through our membership of the Police Education Advisory Council.

Capacity building in the QPS

Review of QPS complaints management

The CMC continued to progress Project Verity, our major capacity-building initiative with the QPS. The project recognises the importance of local line managers in promoting positive behaviour and strengthening the culture of integrity. So far we have developed a model for devolving responsibility for complaint management to local line managers. The model is currently being trialled in two police regions: North Coast and Metropolitan North.

Working with Indigenous communities

In 2007–08 Complaints Services commenced a project to develop culturally appropriate, timely and effective ways to deal with Indigenous complaints against police. The project involved analysis of CMC complaints data, discussions with officers of the Ethical Standards Command of the QPS, and a series of workshops conducted at regional centres around the state with Indigenous stakeholders.

A draft report has been prepared. Once it is adopted by the CMC, we will engage in a consultation phase before trialling the report's recommendations.

Researching police methods and practice

The CMC is involved in a wide range of activities relating to police practices, including conducting research into police methods of operation, police powers and their use, and law enforcement by police.

Some of our activities include:

- undertaking reviews required by legislation that relate to police powers, such as public nuisance offences and policing in Indigenous communities (see also 'Engaging in public policy' on page 39)
- undertaking program or project evaluations (either in conjunction with or independent of the QPS) and independent research
- representing the CMC on various police-related committees and working parties.

Our research work over the reporting period includes the following projects.

- We are finalising the Police and Young People project, a collaborative project with the University of Queensland and the Queensland University of Technology. It examines the relationship between young people (15–24 years old) and the police in Queensland. We expect to release a public report about this project in the next reporting period.

- In November 2007 we released *The Queensland Police Dog Squad: a CMC review of complaints and bite incidents*, an analysis of complaints to the CMC (and its predecessor, the CJC) about bites by QPS dogs between 1999 and 2006. Research revealed considerable improvement in the management of police dogs in Queensland, and a significant reduction in dog-bite complaints; the report included recommendations for the QPS to consider.
- We continued our regular surveys of the ethical attitudes of police recruits and first-year constables. These surveys have been conducted since 1995 and we use the results to monitor trends over time. In October 2007, we presented trend data from the 1999–2006 surveys at APSACC. That presentation is available on the APSACC website at <www.apsacc.com.au>.
- We developed broad-ranging and remedial preventive strategies to reduce opportunities for, and the incidence of, misconduct in the QPS.

Misconduct: outlook 2008–09

- During 2008–09, we will continue to:
 - concentrate on building the capacity of public sector agencies to prevent and deal with misconduct through a range of strategies
 - monitor how agencies deal with misconduct
 - produce misconduct prevention documents, as well as other advisory material for use by units of public administration
 - research public sector and police misconduct
 - work in partnership with other key agencies such as the Queensland Ombudsman, Crown Law and the Office of the Public Service Commissioner.
- We expect to assess an estimated 3800 matters.
- We expect to complete 90 misconduct investigations.
- The current trial of the Project Verity devolution model for dealing with misconduct complaints and enhanced disciplinary processes in the QPS will be evaluated.
- We expect to conduct quality assurance reviews of at least two large public sector agencies to assess their framework for compliance with obligations under the Crime and Misconduct Act to both prevent and deal with misconduct.
- In the next reporting period we will release public reports of two major investigations undertaken in 2007–08. Both of these reports will identify systemic concerns and make recommendations for reducing opportunities for similar kinds of misconduct in the future.
- Preparations are underway for the second Australian Public Sector Anti-Corruption Conference to be held in Brisbane in July 2009. The CMC is the Chair of the Organising Committee.

Provide an effective witness protection service

Our performance in 2007–08

We report on our performance in protecting witnesses in 2007–08 against our *Strategic Plan 2007–11*, available at <www.cmc.qld.gov.au>, and the targets or estimates identified in the *Ministerial Portfolio Statement 2007–08*, available at <www.treasury.qld.gov.au>.

This chapter sets out our priorities and challenges, our key achievements and our results against performance indicators. It also details our work in protecting witnesses, developing witness protection methods and liaising with client law enforcement agencies, and concludes with our outlook for 2008–09.

Priorities and challenges

As described in our *Strategic Plan 2007–11*, in 2007–08 we placed specific emphasis on the following.

Dealing with the impact of advanced technology

Changing criminal practices and advancing technologies present a continuing challenge in ensuring the safety of witnesses. We monitored these changes as well as actively liaising with other Australasian agencies involved in witness protection to identify emerging trends and share improvements in operational methodologies and techniques. For more detail, see page 37.

Addressing new threats from a changing environment

We continued to build intelligence networks to develop operational capacity, including liaising with relevant areas of the QPS. We progressed the establishing of memorandums of understanding with other agencies to further develop our capacity to meet cross-jurisdictional issues. For more detail, see page 37.

Increasing awareness of our services

In light of a decline in the number of requests for witness protection services, we took a range of measures to promote awareness of our capability and the benefits we offer to client law enforcement agencies. For more detail, see page 37.

Key achievements

- We ensured that all of our protected witnesses were kept safe and were in a position to give evidence in court, maintaining this 100 per cent success rate for the twentieth successive year. Over 1500 people have been successfully protected since inception of the program.
- The evidence given by our protected witnesses played a key role in prosecutors being able to secure convictions across a wide range of organised and serious crime cases.
- Through the presentation of affidavits, we applied to courts to enable protected persons' evidence to be presented in court proceedings via video conferencing. This process reduces the risk of harm to the protectee, judiciary and general public during court proceedings, and puts protectees at ease when providing evidence. It is also much more cost-effective than undertaking a full court security operation.

Results against performance indicators

The data provided in Table 5 enable our performance for 2007–08 to be reviewed in the context of our major targets and estimates for this year, our results over the previous four years, and our expected performance for 2008–09. Data for additional relevant performance measures are provided in Table 6 and Figure 6.

Table 5. Performance against strategic plan and MPS indicators 2003–04 to 2007–08, and estimated 2008–09

Performance indicators ^a	2003–04	2004–05	2005–06	2006–07	2007–08		2008–09 (estimate)
					(target or estimate)	(actual)	
Applications for witness protection assessed (persons) ^b	143	156	89	130	120	96	100
Admissions to witness protection (persons)	52	70	57	78	55	42	78
Percentage of eligible people offered interim protection within two days of receipt of application ^c	100	99	100	81	95	92	95
Protected witnesses provided with court security (measure introduced in 2006–07)	n/a	n/a	n/a	39	40	30	40
Percentage of protected witnesses who met court requirements	100	100	100	100	100	100	100
Threat assessments prepared for protection operations (measure introduced in 2006–07)	n/a	n/a	n/a	74	74	62	70
Expenses to achieve strategic goal 'To provide an effective witness protection service'	\$3.9m	\$4.1m	\$4.3m	\$4.3m	\$4.6m	\$4.4m	\$4.9m

- a Where a strategic plan indicator is expressed in general terms, the equivalent MPS indicator (as more specific and measurable) is used instead.
- b 'Applications' refers to all persons referred for witness protection by law enforcement agencies. While offers of protection are made to all assessed as eligible for the program, some persons may not accept the offer. Thus, 'admissions' refers to persons who are both eligible and accept the offer of protection.
- c We offered interim protection within two days to 100 per cent of those who were available for interviewing (some eligible people were not available within two days).

Table 6. Additional performance measures 2003–04 to 2007–08

Additional performance measures	2003–04	2004–05	2005–06	2006–07	2007–08
Total people protected ^a	121	115	136	106	83
Total operations ^b	55	61	70	44	42
People whose protection arrangements were concluded	78	76	69	62	66
People under protection at the end of the reporting year	45	42	28	41	19

- a Includes people still under protection at the beginning of the relevant year as well as those admitted during that year.
- b Includes operations still continuing at the beginning of the relevant year as well as those undertaken during that year. Note that an operation can contain more than one person.

Witness protection: key activity areas

Protecting witnesses

The function of our witness protection area is to protect eligible people who are in danger as a result of assisting a law enforcement agency such as the QPS.

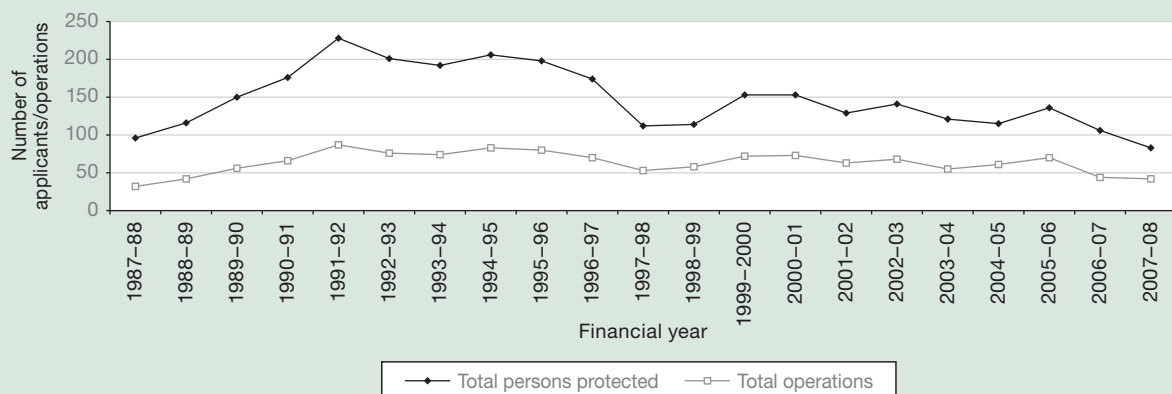
The evidence given by our protected witnesses assisted prosecutors in securing convictions in cases that included murder, attempted murder, serious assaults, robbery, rape, indecent dealing, drug trafficking, production and possession of drugs, arson, and serious property and weapons offences.

In addition to protecting witnesses, the CMC also ensures that they receive any necessary professional assistance and guidance. This enables people who enter the witness protection program with drug or alcohol addictions or other mental or physical afflictions to address these issues. Many witnesses have been rehabilitated as a direct result of being included in our program.

- This year we received and assessed 96 applications for protection, 34 below the 130 received in 2006–07. Since use of the service depends on requests from law enforcement agencies, the number of applications can fluctuate considerably. The numbers are also affected by the decisions of individual protectees, since witness protection is undertaken voluntarily.

- Figure 6 highlights this fluctuation in witness protection numbers over the 20 years from 1987–88. Numbers peaked in 1991–92 and since then have declined to numbers similar to those in the late 1980s.
- We offered interim protection within two days to 92 per cent of eligible persons, almost meeting our target of 95 per cent. (We offered interim protection to 100 per cent of applicants; however, not all were available for interviewing within two days.)
- We prepared 62 threat assessments and 42 persons were admitted to protection during the year. The total number of persons protected, which includes those under protection at the beginning of 2007–08 as well as those admitted in the course of the year, was 83.
- We provided court security in a number of trials where the evidence of a protected witness was considered crucial. Thirty (30) protected persons were provided with court security, directly contributing to successful prosecutions for a number of serious criminal matters.

Figure 6. Total persons protected and total operations between 1987–88 and 2007–08



Developing witness protection methods

The CMC places a high priority on developing witness protection methods through providing specialist training, monitoring emerging threats, and liaising with peer organisations in Australasia.

The CMC leads witness protection training in Australasia through our nationally accredited witness protection course, which includes practical and theoretical training in various skills and techniques needed for the effective protection of witnesses. We are also actively involved in the continuing evolution of the qualification. This year, tools to assess workplace competencies were further developed for all Australasian jurisdictions.

Earlier this year, senior witness protection officers attended the Australasian Heads of Witness Protection Forum in Adelaide, which examined trends in advanced technologies and their potential impact on witness protection. Through involvement with this forum and continuing liaison with counterparts in Australia and overseas, we were able to develop responses to the issues and methodologies that were identified.

We also progressed the establishing of memorandums of understanding with other agencies, including Victoria Police, Western Australia Police, Tasmania Police and the New South Wales Police Integrity Commission. Formalised relations with these and other agencies will further develop our capacity to meet cross-jurisdictional threats.

Liaison with client law enforcement agencies

Throughout the year we worked with client law enforcement agencies throughout Queensland to promote awareness of our witness protection capability and services, and the potential benefits for both law enforcement agencies and the criminal justice system. We delivered training in accessing and utilising protection services to QPS detectives and police prosecutors, and marketing presentations to criminal investigators and regional police commands.

Witness protection: outlook 2008–09

In 2008–09, we expect to:

- Offer interim protection to 95 per cent of eligible people within two days, assess 100 applications and admit 78 new people to the program.
- Continue to deliver education and marketing presentations to promote witness protection services to client agencies throughout Queensland.
- Continue to develop memorandums of understanding and working relationships with government departments to assist in implementing the *Witness Protection Act 2000*.
- Liaise with other Australasian witness protection agencies to share information on the methodologies, trends, technologies, legislative developments and other issues likely to impact on the management of witnesses.

Operations support

Operations Support provides specialist services in physical surveillance, technical surveillance and forensic computing. The unit provides these services in response to requests from the CMC's major outputs.

Operations Support comprises the following three groups.

Physical Surveillance obtains evidence and intelligence on people who are suspected of involvement in CMC-related investigations, through approved surveillance operations.

Technical Surveillance deploys electronic surveillance technologies and methodologies in operations, resulting in enhanced intelligence and evidence product. It also provides technical support in the CMC's hearing and interview rooms.

Forensic Computing establishes and maintains effective operating procedures, resources and equipment for delivering digital intelligence and evidence to investigative areas within the CMC. Its major functions include:

- searching, seizing and preserving digital evidence, using specialist forensic software products
- advising management and investigators on methods for handling digital evidence
- identifying opportunities for digital evidence and/or intelligence to support investigations.

In 2007–08:

- We provided expert advice and assistance to the Crime (including paedophilia and proceeds of crime investigations) and Misconduct areas of the CMC. In particular, significant resources were provided to a misconduct investigation involving a former director-general of the Department of Education and Training.
- We assisted the QPS by providing surveillance and technical assistance to a number of their operations.
- Along with servicing all requests relating to CMC investigations, we assisted Western Australia Police by conducting surveillance on a suspect believed to be involved in illegal drug activity.
- We successfully completed a 10-day training course in close personal protection. The skills attained from the course allows for the units to assist the witness protection area in times of resource-intensive operations.

Our performance in 2007–08

Projects arising from investigations

Handling sexual offences

In 2003 our *Seeking justice* report advocated changes to various processes relating to the handling of sexual offences by the QPS and the Office of the Director of Public Prosecutions, and recommended that the CMC review the resulting implementation.

In March 2008 we released *How the criminal justice system handles allegations of sexual abuse: a review of the implementation of the recommendations of the Seeking Justice report*. We found that 13 of our 24 recommendations had been fully implemented at the time our consultations were completed; most of the remaining recommendations had been at least partially implemented; and only six of the recommendations had either been rejected by the responsible agency or the government, or had failed to be implemented.

Referrals from the minister under the Crime and Misconduct Act

Policing in Indigenous communities

Under section 51(1)(c) of the Crime and Misconduct Act, the Attorney-General and Minister for Justice required us to undertake an inquiry into policing in Indigenous communities. (The terms of reference may be found on our website at <www.cmc.qld.gov.au>.)

As part of the inquiry process we conducted extensive stakeholder consultations, including in all the mainland DOGIT communities and in several of the Torres Strait Islander communities. We held a public forum in Cairns, in which about 20 speakers took part, representing Aboriginal and Torres Strait Islander communities and councils, legal services, government departments and the QPS.

Our report will be released in the next reporting period.

Projects required under other legislation

Review of the public nuisance offence

In May 2008 we tabled in parliament our report entitled *Policing public order: a review of the public nuisance offence*. Our review under the *Summary Offences Act 2005* detailed a significant upward trend in public nuisance offences since 1997.

We concluded that the legislative change itself did not appear to have had a significant impact either on public nuisance offending or on the police and courts' response to it. Although marginalised groups were still found to be over-represented, this had not been exacerbated by the introduction of the new offence. We found that the principal focus of the offence was on managing the behaviours of 'party people' and that this focus had strengthened over time in response to community concerns around public order.

We made five recommendations to parliament, including that a separate offence for public urination be created and that 'ticketing' be introduced as a further option available to police to deal with public nuisance behaviour.

Review of motorbike noise provisions

Under the motorbike noise provisions of the *Police Powers and Responsibilities (Motorbike Noise) Amendment Act 2005*, the CMC was required to review their effectiveness in reducing excessive noise from motorbikes being ridden off-road and to prepare a public report.

In June 2008, we released an issues paper and invitation for public submissions. As at 30 June, more than 200 public submissions had been received from individuals, agencies, politicians and other interest groups. Our report of the review will be released in the next reporting period.

Public policy: outlook 2008–09

- We are required to review the use by police officers of powers under Part 5 (Directions to move on) of the *Police Powers and Responsibilities Act 2000* as soon as practicable after 31 December 2007.
- We will undertake a review of the provisions about evading police officers under Chapter 22 of the *Police Powers and Responsibilities Act 2000*. Pursuant to s. 789 of that Act, we are required to review and report on Chapter 22 as soon as practicable after 30 June 2009.

Be an effective and productive organisation serving all Queenslanders

Our performance in 2007–08

We report on our performance in 2007–08 as an effective and productive organisation serving all Queenslanders against our *Strategic Plan 2007–11* and its performance indicators. The plan is available at <www.cmc.qld.gov.au>.

This chapter sets out our priorities and challenges, our key achievements and our results against performance indicators. It also details our work in corporate governance, human resources, support services and communication, and concludes with our outlook for 2008–09.

Priorities and challenges

As described in our *Strategic Plan 2007–11*, in 2007–08 we placed specific emphasis on the following.

Enhancing our governance framework

During the year Commissioners sought to clarify their roles in governance in relation to the overall governance responsibilities across the organisation. For more detail, see page 44.

Attracting and retaining skilled employees

In response to a difficult labour market, the CMC has established a workforce management committee led by the Chairperson to implement strategies to attract and retain quality staff. For more detail, see pages 49 and 52.

Relocating the CMC

Throughout the year significant effort was devoted to facilitating the CMC's move to new premises early in 2008–09 to ensure this occurred without disruption to any CMC services. For more detail, see page 55.

Key achievements

- A review of the organisation's strategic direction has been initiated.
- Our negotiations with architects and builders resulted in our achieving substantial completion of our new building by 30 June 2008.
- A two-year workforce management plan has been established and several of its initiatives completed – e.g. revising and streamlining our recruitment and selection processes.

Results against performance indicators

The data provided in Table 7 enable our 2007–08 performance with respect to corporate indicators to be reviewed in the context of our major targets and estimates for this year, our results over the previous four years, and our expected performance for 2008–09.

Our performance against these and non-statistical indicators relating to governance, audit and human resources is discussed following Table 7.

Table 7. Performance against strategic plan corporate indicators 2003–04 to 2007–08, and estimated 2008–09

Performance indicators	2003–04	2004–05	2005–06	2006–07	2007–08		2008–09 (estimate)
					(target or estimate)	(actual)	
Relevant material produced to support public sector initiatives	22	25	25	17	25	12	12
External presentations by CMC staff	121	118	92	73	80	58	60
Partnerships initiated and fostered to fulfil our objectives ^a	n/a	n/a	n/a	12	10	26	15

a This indicator was a new measure in 2006–07.

Corporate (statistical) indicators

Table 7 shows a downward trend in both publishing and external presentations over the last five years.

Our inability to meet our overall publishing target this year was caused by the need to devote significant resources to high-priority initiatives including the review of the public nuisance offence and our inquiry into policing in Indigenous communities.

With respect to presentations, these take a variety of forms and are given in response to requests, so fluctuation in numbers is likely. The overall downward trend may also reflect the community's growing knowledge of the CMC's activities.

Table 7 also illustrates the considerable increase in partnerships (more than twice our target), which reflects the increase in referrals from the Crime Reference Committee and in approved operations from the CMC's Crime Intelligence Research Review Committee.

Non-statistical indicators

Governance

Several governance indicators focus on annual evaluation of key organisational controls.

An evaluation of the CMC's internal management committees was undertaken for each of the past five reporting periods (100 per cent target achieved). A service level agreement is formalised each year between the CMC's corporate support area and its operational areas. Although technical difficulties prevented the effectiveness of the services delivered being measured in 2007–08, an 'above average' rating was achieved when measured previously.

The annual update of the Information Communications Technology (ICT) Resources Strategic Plan was restricted to meeting mandatory requirements as a major review of the CMC's strategic direction had commenced. A full review of the ICT Resources Strategic Plan is scheduled for 2008–09.

Our Corporate Communications Plan was reviewed on a regular basis during the year, in accordance with performance targets introduced in 2006–07.

Audit

The Queensland Audit Office has approved the CMC's annual financial statements without qualification for at least the past five years. In 2007–08, 15 of the 17 internal audits listed in the annual Internal Audit Plan were completed. The two outstanding audits are to be completed early in 2008–09. Targets have been met in the previous four years, with the exception of 2004–05.

Human resources

For the past five years, a current equal employment opportunity management plan has been in place and reviewed on a quarterly basis.

For the first time in five years the CMC did not meet its estimated target to have a workplace health and safety (WH&S) plan in place and reviewed on a quarterly basis (achieving 88 per cent against a target of 100 per cent). Due to turnover in staff, the review was not completed.

As already mentioned, a workforce management plan is now established and was reviewed on a quarterly basis this year. Since 2005–06, the CMC has measured the number of current employees compared with the number of established positions. The target (90 per cent) has been achieved in all three reporting periods.

The CMC aims to have 100 per cent of new employees appointed within 12 weeks of the selection process being commenced. A newly approved recruitment and selection policy will improve the prospects of achieving this target.

Corporate governance

External accountability

The CMC is accountable for its actions through a variety of mechanisms, the principal one being the Parliamentary Crime and Misconduct Committee (PCMC), a seven-member, all-party committee of the Queensland Legislative Assembly.

Others are the Parliamentary Crime and Misconduct Commissioner, the minister, the Public Interest Monitor, the Supreme Court, the Crime Reference Committee and the Controlled Operations Committee.

Parliamentary Crime and Misconduct Committee

In performing its functions the PCMC:

- monitors and reviews the performance of the CMC, including reviewing CMC reports
- requests reports on matters that have come to the PCMC's attention through the media or by other means
- receives and considers complaints against the CMC and deals with issues concerning the CMC
- consults with the Attorney-General on the appointment of the CMC Chairperson and Commissioners.

In 2007–08 the Commission formally met with the PCMC about every two months to discuss current activities and performance. For PCMC membership during this reporting period, see the photograph on page 7.

Staff accountability to the PCMC

Our Act (section 329) requires the Chairperson to report to the PCMC any conduct of a CMC officer that the Chairperson suspects involves or may involve improper conduct. The Act also provides for a wider definition of CMC officers, by including former officers, and specifically allows the PCMC to request reports in respect of these matters.

Parliamentary Crime and Misconduct Commissioner

The Parliamentary Crime and Misconduct Commissioner (Parliamentary Commissioner) assists the PCMC in its role of monitoring and reviewing the CMC. The Parliamentary Commissioner may investigate complaints against the CMC or its officers, and conducts audits and reviews of the CMC's activities. The current Parliamentary Commissioner is Mr Alan MacSporran SC.

During 2007–08 the Parliamentary Commissioner:

- acting on referrals from the PCMC, reviewed the CMC's management of several complaints matters
- audited the CMC's compliance with legislation governing covert instruments and the use of surveillance devices and assumed identities
- inspected selected registers that the CMC is required to maintain
- audited the CMC's intelligence holdings.

No instance was found in which the CMC had acted outside legislation. Suggestions by the Parliamentary Commissioner about possible improvements to process or procedure were either accepted by the CMC or, where the change was not possible, the reasons for existing arrangements were explained.

The minister

The CMC's minister is the Honourable Kerry Shine MP, Attorney-General and Minister for Justice and Minister Assisting the Premier in Western Queensland.

The minister participates in the selection of the Chairperson, Commissioners and Assistant Commissioners, approves staff remuneration conditions, and approves the CMC's budget. Our legislation also requires the minister to ensure that the CMC operates in accordance with best-practice standards. To assist the minister in this regard, the CMC provided written reports every six months on the efficiency, effectiveness, economy and timeliness of its operational processes.

Public Interest Monitor

The Public Interest Monitor monitors applications for, and the use of, surveillance warrants and covert search warrants under our Act and the *Police Powers and Responsibilities Act 2000* (PPRA).

Supreme Court

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

Some decisions of the CMC may be reviewed by a Supreme Court judge under the *Judicial Review Act 1991* or a specific provision in the Crime and Misconduct Act. There were three such applications during the year. A Supreme Court judge may also make determinations of claims of privilege in misconduct hearings. The CMC was named as a party to one such application during the year (see Chairperson's message [page 5] and box on page 13).

Crime Reference Committee

The Crime Reference Committee, established under section 274 of our Act, has a major role in referring crime to the CMC for investigation. It also has a coordinating role for investigations into major crime conducted by the CMC in cooperation with any law enforcement agency (see the photograph on page 16 for its composition and current membership).

Controlled Operations Committee

The Controlled Operations Committee was established under the PPRA to consider and make recommendations about applications for 'controlled operations' to be undertaken by the QPS or the CMC. (Controlled operations are investigations of serious indictable offences, misconduct or organised crime that involve police officers and others engaging in activities that may be unlawful — e.g. it may involve undercover officers, in order to maintain their cover, buying illicit drugs from the target of an investigation).

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

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

Internal accountability

The CMC's most important internal accountability mechanism is the Commission. CMC corporate policy and strategic directions are set by the Commission, implemented by a range of internal committees, and generally overseen by the Executive Committee.

Other officers contributing to internal accountability are the General Counsel and the internal auditor, both of whom provide independent advice to the Commission and report directly to the Chairperson.

The Commission

The Commission has primary responsibility for achieving the purposes of the Crime and Misconduct Act. It consists of five Commissioners – a full-time Commissioner who is also the Chairperson and four part-time Commissioners who are community representatives. Two full-time Assistant Commissioners (the Assistant Commissioner, Crime and the Assistant Commissioner, Misconduct) and the Executive Director also participate in Commission meetings, though they have no voting rights. Since November 2007, the Director, Witness Protection and Operations Support has participated in Commission meetings.

The Commissioners during this reporting period were:

- Mr Robert Needham (Chairperson)
- the Honourable Douglas Drummond QC (appointed July 2005, term concluded April 2008)
- Ms Julie Cork (appointed November 2004, term concluded November 2007)
- Dr David Gow (appointed October 2005)
- Ms Ann Gummow (appointed August 2006)
- Ms Judith Bell (appointed May 2008).

(See pages 46–47 for details about the professional expertise and experience of the Chairperson and part-time Commissioners who served during this reporting period.)

In guiding and maintaining the strategic focus of the organisation, the Commission considers matters affecting all areas of the CMC, including financial, staffing and managerial issues; specific crime and misconduct operations; research and intelligence projects; and capacity development and misconduct-prevention activities. In addition, the part-time Commissioners chair significant internal committees, participate in others, and represent the CMC on external bodies.

During 2007–08 the Commission met 25 times and met with the PCMC six times (see Table 8). During its 25 meetings the Commission, as well as meeting its normal statutory duties, took significant initiatives in relation to:

- clarifying their governance role in relation to the overall governance responsibilities across the organisation
- commencing a review of the CMC's strategic direction
- overseeing the implementation of revised risk management arrangements
- initiating a review of the Commission's delegations
- identifying areas for development or improvement (e.g. performance reporting).

Table 8. Attendance of Commissioners, Assistant Commissioners, and Executive Director at Commission meetings 2007–08

	Ordinary meetings (n = 24)	Special meetings (n = 1)	With PCMC (n = 6)
Robert Needham	21	1	6
Douglas Drummond QC	17	1	4
Julie Cork	9	–	2
David Gow	23	1	5
Judith Bell	2	–	1
Ann Gummow	24	1	6
John Callanan	15	–	5
Stephen Lambrides	17	–	5
Felix Grayson	14	–	–
Peter Scanlan	9	1	1
Greg Rigby	13	–	3
Gary Adams	5	–	–

Appointment conditions for Commissioners

Appointment of Commissioners

Commissioners (including the Chairperson) are appointed by the Governor-in-Council under the terms of the Crime and Misconduct Act for a period of not more than five years. Their nomination for appointment must have the bipartisan support of the PCMC. They are paid the remuneration and allowances decided by the Governor-in-Council.

Qualifications of the Chairperson

Under the terms of the Crime and Misconduct Act, the Chairperson, who is also the CEO, must be a legal practitioner who has served as, or is qualified for appointment as, a judge of the Supreme Court of any state, the High Court or the Federal Court.

Qualifications of the part-time Commissioners

As representatives of the community, the part-time Commissioners bring a broad range of professional expertise and personal experience to the CMC.

Our Act requires one of the part-time Commissioners to be a practising lawyer with a demonstrated interest in civil liberties. Other Commissioners can qualify through qualifications or expertise in public sector management and review, criminology, sociology, crime research or crime prevention. At least one Commissioner must also be a female.

Resignation and termination of a Commissioner

The Governor-in-Council may terminate the appointment of a Commissioner (including the Chairperson) at any time if the Commissioner becomes incapable of satisfactorily performing

the duties of office or is absent from three consecutive meetings of the Commission without prior approval and reasonable excuse. In addition, the Governor-in-Council must terminate the appointment of the Chairperson if the Chairperson engages in paid employment outside the duties of office without the minister's approval.

The Governor may terminate the appointment of a Commissioner on a recommendation to the Legislative Assembly made with the bipartisan support of the Parliamentary Crime and Misconduct Committee and approved by the Legislative Assembly. A CMC Commissioner (including the Chairperson) may resign at any time by written notice to the minister.

Ethical standards

The CMC must keep a register of each Commissioner's pecuniary interests and personal or political associations.

Assistant Commissioners and senior officers

The Crime and Misconduct Act decrees that Assistant Commissioners and senior officers must not hold office in the CMC for more than 10 years in total (however, under certain circumstances this period may be extended to a maximum of 15 years). A 'senior officer' is an officer whose principal duties relate directly to the performance of the CMC's prevention, crime, misconduct, research or intelligence functions or the giving of legal advice to the Commission. It does not include a senior officer whose duties support the CMC's functions, such as the Executive Director or a human resource, information technology or finance manager.

Commissioners who served in this reporting period

Robert Needham (Chairperson since January 2005)

Mr Robert Needham was appointed Chairperson of the CMC in January 2005. Prior to that he practised as a barrister for 35 years, his career spanning periods as a Crown Prosecutor and as a barrister in private practice.

In late 1987 Mr Needham was appointed Counsel Assisting the Fitzgerald Commission of Inquiry. He subsequently became involved in the political corruption investigations arising out of the inquiry, forming a team in the Special Prosecutor's Office to finalise briefs and prosecute the political corruption trials.

Afterwards, Mr Needham was involved in various corporation law prosecutions for the Australian Securities and Investment Commission and the Commonwealth Director of Public Prosecutions, including the Christopher Skase prosecution. He was also involved in complex and lengthy cases in the Land Court and the Planning and Environment Court.

Mr Needham, who has a Bachelor of Laws from the University of Queensland, was the Parliamentary Crime and Misconduct Commissioner from 2002 to 2003.



Julie Cork (November 2004 – November 2007)

Ms Julie Cork has a Diploma in Teaching and a Bachelor of Education Studies, and more than 25 years' experience in organisational management policy and practice. In addition, she has extensive knowledge in the more sensitive areas of human resource management, including the recruitment of Indigenous Australians and people with disabilities.

Ms Cork has undertaken organisational change work, in association with the establishment of employment equity

programs, in both the Australian and the Queensland public sectors. In August 1991 she was appointed Manager, Employment Equity, at the Public Sector Management Commission, with responsibility for the Queensland public sector. Since 1996 Ms Cork has worked as a consultant in the private, public and community sectors.

In addition to her duties on the Commission, Ms Cork served on the Equal Employment Opportunity Consultative Committee during 2007-08.



The Honourable Douglas Drummond QC (July 2005 – April 2008)

The Honourable Douglas Drummond QC was a judge of the Federal Court of Australia for more than 11 years before retiring in April 2003.

Mr Drummond's legal experience spans 38 years, and includes a three-year appointment in 1988 as Special Prosecutor with responsibility for the investigation and prosecution of offences arising out of the Fitzgerald Commission of Inquiry. He has also practised as a barrister at the private Bar, specialising in general commercial litigation and arbitration.



**Dr David Gow
(from October 2005)**

Dr David Gow is currently a senior lecturer at the University of Queensland Business School. He is an honours graduate from the University of Sydney and received his PhD from the University of Hawaii in 1981.

Dr Gow's main expertise is in public administration and political science, in which he has held various academic appointments

over the past 23 years. He also has considerable experience in research methodology, having worked extensively as a consultant to the Queensland Government, and to the CJC between 1991 and 2000.

In addition to his duties on the Commission, Dr Gow served on the Audit Committee and the Workforce Management Committee during 2007-08.



**Ann Gummow
(from August 2006)**

Ms Ann Gummow has a Bachelor of Laws from the University of Queensland (UQ) and a Graduate Diploma in Legal Practice from what is now the Queensland University of Technology (QUT). She was admitted as a solicitor in 1983 and is currently the appointee fulfilling the requirement that one of the CMC Commissioners be a lawyer with a proven commitment to civil liberties.

Since 1990 Ms Gummow has worked part-time at Women's Legal Service, a community legal service that specialises in the areas of domestic violence and family law, working directly with women, undertaking community

legal education and community development, and contributing to legal reform. She was previously a solicitor in private practice. At various times since 1989 Ms Gummow has taught at the School of Social Work and Social Policy at UQ, Griffith University's Law School, and at QUT. From 1992 until 2006 she was a member of UQ's Behavioural and Social Sciences Ethics Review Committee.

In addition to her duties on the Commission, Ms Gummow chaired the Equal Employment Opportunity Consultative Committee as well as serving on the Commission Consultative Committee, the Finance Committee and the Workplace Health and Safety Committee in 2007-08.



**Judith Bell
(from May 2008)**

Mrs Judith Bell has a Bachelor of Education, a Bachelor of Arts (Aboriginal and Torres Strait Islander Studies) and a Diploma of Teaching. She has more than 30 years' experience as a teacher in Queensland and the United Kingdom, extensive experience and knowledge of the public sector and, as a former member of the CMC's Crime Reference Committee,

specific experience of the CMC. She is on the Board of Trustees for the Brisbane Grammar School and is a member of the University of Queensland's Senate. In 2003 she was one of the recipients of the Centenary Medal which commemorated 100 years of Federation and was awarded to people who had made a contribution to Australian society or government.



Internal committees

The CMC has a comprehensive committee structure to comply with corporate governance principles of effective management.

The most significant is the Executive Committee (EC). The others are either governance committees (usually having Commissioner or external representation) or operational committees (which may be chaired by a CMC staff member and deal with operational matters).

Governance committees

Executive Committee

Chair: Robert Needham, Chairperson

The Executive Committee's membership comprises the organisation's executive management, whose key role is to assist the Commission advance corporate initiatives, manage strategic issues, overview major business improvements and monitor significant operational initiatives. In addition to its usual corporate responsibilities, the committee in 2007–08 focused on:

- revising the corporate risk management framework
- monitoring the CMC's relocation project
- implementing the new Workforce Management Committee.

Risk Management Committee

Chair: Robert Needham, Chairperson

As part of the new risk management framework, the Executive Committee also acts as the organisation's Risk Management Committee. It is responsible for ensuring robust and effective risk management strategies and related practices. This is done by monitoring and reviewing all risk-related matters, and working with the Commission to address significant risks. In 2007–08 the committee:

- endorsed a revised risk management policy
- approved its revised Strategic Risk Management Register
- considered work area risk management plans
- advised the Commission on the Corporate Risk Management Plan.

Finance Committee

Chair: Robert Needham, Chairperson

The CMC operates in an accrual-based financial management framework where all senior managers are responsible and accountable for achieving corporate goals and objectives within approved budget allocations.

The Finance Committee assists the Commission to meet its financial management responsibilities by providing independent advice and monitoring. The committee ensures the CMC's practices are effective and comply with statutory requirements, by overseeing preparation, implementation and analysis of the CMC's budget, financial statements, Ministerial Portfolio Statement, submission to the Parliamentary Estimates Committee Hearings and other significant financial matters. In 2007–08, the committee additionally proposed resource allocation solutions to address staff resourcing issues and the relocation project.

The Executive Committee – membership at June 2008



Chairperson
Robert Needham



Assistant
Commissioner, Crime
John Callanan



Assistant
Commissioner,
Misconduct
Stephen Lambrides



Executive Director
Peter Scanlan



Director, Complaints
Services
Helen Couper



Director, Witness
Protection and
Operations Support
Felix Grayson

Audit Committee

Chair: Phil Procopis, External member

The Audit Committee independently advises the Commission to help it maintain effective financial management, internal control systems, audit processes and compliance with governance requirements. In 2007–08, the committee contributed to Queensland Treasury's 2008 *Audit Committee guidelines: improving accountability and performance* and assisted in revising the CMC's risk management framework. The Committee reviews the reports of the internal auditor.

Information Steering Committee

Chair: Robert Needham, Chairperson

The Information Steering Committee monitors and reviews the information and communication technology program of work and provides business advice to support the development of the CMC's four-year ICT Resources Strategic Plan in alignment with the Government Enterprise Architecture. In 2007–08 the committee endorsed:

- the Information Management Risk Assessment (as part of the revised risk management framework)
- the Strategic Recordkeeping Implementation Plan 2008–10
- the Operational Recordkeeping Implementation Plan 2008–09.

Commission Consultative Committee

Chair: Craig Doran, Sergeant

The Commission Consultative Committee contributes to the quality of work life at the CMC by providing a forum for employees and contributing to management decision making on important issues. Employees are able to make suggestions and raise issues of concern for discussion through staff representatives so that the committee can consult with staff and make recommendations to management. In 2007–08, the committee:

- introduced a new corporate uniform
- explored options for a possible health and wellbeing program
- investigated potential personal safety concerns regarding travel to and from the new office location in Fortitude Valley.

Workforce Management Committee

Chair: Robert Needham, Chairperson

The Workforce Management Committee assists the Commission to ensure that the CMC's human resources operate at an optimum level of performance, and that appropriate policy and planning frameworks are in place to meet the strategic human resource management needs of the CMC. Achievements of this committee are more fully discussed in the Human Resources section (see page 52).

The Executive Committee (continued)



Director, Intelligence
Chris Keen



Director, Research
and Prevention
Dr Margot Legosz



Director, Misconduct
Investigations
Russell Pearce



Director, Crime
Operations
Len Potts



Director, Financial
Investigations
John Richardson



Director, Information
Management
Greg Rigby

Equal Employment Opportunity Consultative Committee

Chair: Ann Gummow, Commissioner

The Equal Employment Opportunity Consultative Committee ensures that equal employment opportunity (EEO) principles underpin all employment decisions, so that merit is the only basis for employment selection. The committee promotes EEO within the organisation, and advocates for a workplace that is more representative of the broader community.

Workplace Health and Safety Committee

Chair: Peter Scanlan, Executive Director

The WH&S Committee monitors the workplace to ensure the CMC complies with legislative requirements to safeguard employee safety, and provides advice concerning relevant issues such as training and relevant standards. The committee also considers individual incidents and resolves systemic issues.

Operational committees

The operational committees monitor and review the work of their respective functional areas:

- Misconduct Assessment Committee
- Misconduct Activities and Projects Committee
- Crime Intelligence and Research Review Committee
- Crime Operational Review Committee
- Misconduct Operations Review Committee
- Witness Protection Advisory Committee.

General Counsel

General Counsel is responsible for providing independent legal advice to the Chairperson and Commissioners on CMC operations and administration, and reports directly to the Chairperson. Activities in 2007–08 included:

- advice on compliance with the Crime and Misconduct Act
- assistance with investigative hearings
- providing advice to the Commission on legislation and case law, and working with government policy advisers and draftspersons on new legislation including proposed laws to introduce telecommunications interception in Queensland
- providing professional leadership and practice information to lawyers within the CMC.

Internal audit

Internal Audit operates under a formal charter approved by the Commission, and its activities are monitored by the Audit Committee. Its role is to conduct independent audits as a service to management, and to help management achieve sound managerial control. The Internal Auditor acts independently of, but works cooperatively with, the Audit Committee and has a standing invitation to attend committee meetings. The function also liaises regularly with the Queensland Audit Office (QAO) to ensure that there is adequate audit coverage across the organisation.

In 2007–08 the Internal Auditor:

- completed the 2007–08 Audit Program, which included audits of:
 - credit card accounts and credit card usages
 - procurement and accounts payable
 - fleet management
 - assets management at the offsite premises
 - covert operations expenditure
 - staff travel claims
 - hospitality expenditures
 - cash balances (by spot checks)
 - bank account reconciliations
 - financial statements under section 78 of the Financial Management Standard (annually)
- attended the QAO client information briefing session and the briefing on the annual financial statements update
- met with QAO auditors for discussions on contemporary audit issues and auditing projects
- managed the controlled intrusion testing of the CMC's IT network conducted by external consultants.

Our people

The CMC is dedicated to providing the best working environment it can for its diverse staff of lawyers, police, accountants, investigators, intelligence analysts, social scientists, computing specialists, support officers and administrators.

We offer working conditions that are comparable to the Queensland public service, including enterprise bargaining, and we adhere to government policies on equal employment opportunity and workplace health and safety. In addition, we provide an employee support program, training opportunities, avenues for regular internal communication, and a mechanism for staff to have their concerns heard by senior management.

During 2007–08 the number of established positions remained largely the same at 317 (see Tables 9 and 10). The number of actual staff in June 2008 was 305.3, expressed as full-time equivalents.

Organisational climate

The second CMC organisational climate survey was conducted in June 2007, and during 2007–08 the results of the survey were analysed and action was taken to identify areas for improvement. The overall outcomes of the survey were encouraging, with improvements seen across many of the measures of effectiveness (compared to the 2004 survey). Areas where further improvement can be made have been identified and included in our workforce management plan for further attention.

Work, family and life balance program

The CMC continues to offer flexible working arrangements aimed at supporting employees in balancing their work and family and other responsibilities. Towards the end of 2007–08 we commenced a comprehensive review of our current working hours arrangements, with a view to seeing whether further flexibility can be introduced. We are also looking into teleworking arrangements and at developing ways to keep older workers in the workforce.

Table 9. Staff establishment as at 30 June 2008

	Approved establishment	Actual staff (including temporary staff)
Executive	19	25.5
Crime	49	51.3
Misconduct	91	82.1
Witness Protection and Operations Support	56	52
Research and Prevention	30	23.2
Intelligence	22	18.2
Corporate Services	50	53
Total	317	305.3

Table 10. Number of established positions within each discipline

Discipline	Number
Police officers	84
Administrative officers	55
Operational support officers	26
Legal officers	19
Intelligence analysts	22
Financial investigators	21
Registry officers	16
Computer system officers	13
Investigators (civilian)	10
Research officers	15
Strategic management	14
Prevention officers	6
Complaints officers (incl. one Indigenous complaints officer)	11
Librarians	2
Technical officers	1
Indigenous liaison officers	2
Total	317

Workforce management planning

Our workforce management plan covering the period 2007–09 continues to focus on attracting and retaining highly skilled staff and enhancing leadership and management competency throughout the organisation.

This new plan builds on the strategies contained in the previous plan and incorporates strategies to address issues arising from the second organisational climate survey of the CMC, as well as the recommendations made by independent experts on our total employment offering.

A workforce management committee headed by the Chairperson met fortnightly to monitor agreed workforce management strategies. We have implemented a major initiative to streamline recruitment and selection practices, revised induction processes, and established a mentoring program.

We also started development of a new performance management process and developed a framework for an enhanced recognition and rewards process. These will be implemented in 2008–09.

Employee relations

Enterprise bargaining

During 2007–08, staff received a wage increase in accordance with the Crime and Misconduct Commission Certified Agreement 2006. This agreement continues into 2008–09.

Staff development

The Crime and Misconduct Commission Certified Agreement 2006 provides an opportunity for staff at the AO2, AO3 and AO4 levels to study towards accredited qualifications at the Certificate IV (AO2), Diploma (AO3) or Advanced Diploma (AO4) level at no cost to the employee.

During 2007–08, a number of staff at these levels commenced a series of competency-based workshops during normal working hours on CMC premises. This program provides participants with an opportunity to attain a Certificate IV in Government.

A number of staff who had previously attained a Certificate IV in Government in 2006 completed an upgrade course and have been awarded a Diploma of Government.

Table 11 lists a range of courses held in-house during 2007–08.

Table 11. Attendees at HR courses held in-house 2007–08

Certificate IV in Government	13
Clear and meaningful communication	18
CPR (and refresher course)	10
Dealing with acquired property	54
Indigenous cultural awareness	38
Manual handling	23
Peer support officers training	11
Project management	30
Time management essentials	6
Unreasonable complainant conduct	36
Workplace harassment	279

Internship program

We continued our arrangement with the Queensland University of Technology to assist final-year law students with one of their final units of study. The internship program requires students to work at the CMC for one day a week for 12 weeks. Two students participated in this program during first semester 2008. Both students were allocated to the Legal Services Unit.

Equal Employment Opportunity program

The EEO program, including measures to eliminate sexual harassment and workplace harassment, will have a continuing impact on retention rates of EEO target group members, particularly women, who comprise half of the CMC workforce. It is anticipated that our work, family and life balance program will increase rates of women returning from parental leave and generally increase retention rates of employees with family responsibilities. The continuing use of exit interviews highlights any systemic issues that require attention from a staff retention perspective.

Appendix E presents EEO statistics for CMC staff for 2007–08.

Workplace health and safety program

The effectiveness of this program is based on comprehensive policies and procedures. Our workplace health and safety committee meets regularly to assess the implementation of annual action plans.

Departures and arrivals

In this reporting period, we had several significant departures and arrivals. The departures include those of long-serving officers who had also worked for predecessor organisations of the CMC.

Departures

Commissioners

November 2007: Julie Cork (part-time Commissioner) had been with the organisation since November 2004.

April 2008: The Honourable Douglas Drummond QC (part-time Commissioner) who had been appointed in July 2005.

Senior Executive Service (SES) and Senior Officers (SO)

July 2007: Mark Lynch (Deputy Director, Research and Prevention) had been with the organisation since January 1999.

November 2007: Robert Evans (Official Solicitor) had been with the organisation since August 1995.

May 2008: Susan Johnson (Director, Research and Prevention) had worked for the organisation for extended periods since October 1990.

June 2008: Superintendent Paul Doyle had worked for the organisation for extended periods since March 1990.

Long-serving officers

November 2007: Linda Trewin (Complaints Officer) had been with the organisation since 1987.

May 2008: Brian O'Rourke (Records Officer) had been with the organisation since 1990.

Medical retirement

October 2007: Amanda Austin (Senior Financial Investigator) had been with the organisation since December 1993. Amanda retired on medical grounds; this was the first medical retirement from the CJC/CMC.

Arrivals

December 2007: Peter Scanlan (Executive Director)

May 2008: Judith Bell (part-time Commissioner)

In memoriam

Daniel Abednego, our respected Indigenous Liaison Officer, passed away in January 2008.

Daniel joined the Criminal Justice Commission as the Aboriginal and Torres Strait Islander Liaison and Education Officer in 1993. However, his public service to the people of Queensland started with his first job as a telegram and mail despatch officer for the Postmaster-General's Department on Thursday Island.

Before joining the CJC, Dan had also worked as a painter, a linesman for the Far North Queensland Electricity Board, a trainee Welfare Officer for the Aboriginal and Islander Community Health Service, Child Care and Fostering and Adoption Officer for the Aboriginal and Islander Youth Shelter Program, and Community Liaison Officer for the IINA Torres Strait Islander Corporation.

Dan listed as one of his greatest achievements the satisfaction he felt in contributing to and receiving positive feedback from reports produced by the CMC (including the Foster Care Inquiry, the Aboriginal Witnesses in Court report and the Investigation into Six Aboriginal and Islander Councils).

Dan's contribution, friendship and support have been invaluable to many people who will continue to miss him for a long time.



Our role with the Commissioners for Police Service Reviews

Commissioners for Police Service Reviews arbitrate on any grievances police officers may have about promotions, transfers or disciplinary action.

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

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

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

A secretariat within the CMC supports the Commissioners and coordinates review hearings.

During the reporting period, the Review Commissioners were former CMC Commissioners Ms Kathryn Biggs and Ms Dina Browne and practising solicitor Mr Pat Mullins.

In addition to their primary role to arbitrate on grievances, Review Commissioners also monitored the progress of any changes to the merit-based policy of the QPS. Monitoring occurs as issues are identified during reviews and addressed through recommendations. Further monitoring occurs when the CMC's Police Service Reviews Unit liaises with the QPS Central Convenors Unit and the QPS Human Resource Management Branch on matters as they arise.

The transparency and independence of the review process are enhanced by the standing invitation to the Queensland Police Union of Employees to attend promotion, transfer and disciplinary review hearings as observers. During the reporting period the Police Commissioner supported all recommendations made by Review Commissioners.

Through representation at the annual national Public Sector Appeals Conference, the Office of the Commissioner for Police Service Reviews stays informed of best practice and emerging trends in other jurisdictions.

Table 12. Types of applications lodged, 2006–06 and 2006–07

Type	2006–07	2007–08
Promotion	49	133
Transfer	12	1
Lateral transfer	1	4
Stand-down	1	-
Suspension	2	1
Disciplinary	-	-
Dismissal	-	-
Total	65	139

Table 13. Status of applications lodged, 2006–07 and 2007–08

Status	2006–07	2007–08
Matters lodged	65	139
Matters withdrawn before hearing	35	13
Matters out of jurisdiction	-	8
Matters awaiting hearing at 30 June	8	99
Matters heard	22	19

Table 14. Results of matters heard by Review Commissioners, 2007–08

Type	Affirmed	Varied	Set aside	Total
Promotion	10		4	14
Transfer	-	-	-	-
Lateral transfer	1	1	1	3
Suspension	2			2
Total				19

Support services

A range of work areas including finance and administration provide professional support to operational areas of the CMC.

The CMC accesses its financial system (Finance 1) and its payroll system (Aurion) from a shared services provider, the Corporate Administration Agency (CAA). CAA provides both a payroll function and a financial records backup service for the CMC.

Legal support and capability

The Commission and operational areas of the CMC are advised and supported by in-house lawyers who work either as part of multidisciplinary teams or in the CMC's legal practice operated by the Legal Services Unit and the Office of General Counsel.

The CMC's legal practice specialises in providing independent and timely legal services mostly related to the CMC's investigative functions, administrative review and statutory compliance.

Information management

The objective of information management is to ensure that the optimal information assets required by the CMC to achieve its objectives are obtained, managed and used to best effect.

Unsurprisingly, projects associated with the relocation of the main office of the CMC from Terrica Place to Green Square dominated information management activities for 2007–08. The majority of these projects were directly involved in providing the information and communications technological infrastructure to adequately support the CMC's needs over the next 10 or more years. Progress also continued in migrating from outdated analogue technologies to a full digital environment, an area targeted for significant advancement in 2008–09.

Security services

The CMC's security services protect the Commission's staff, information, assets and corporate reputation through providing protective security measures (including 24/7 physical security), investigative capacity and an in-house vetting service. We not only conduct security vetting for CMC staff, contractors and visitors but provide a probity vetting service to Queensland and national law enforcement and government agencies.

During 2007–08 security completed 263 staff and contractor clearances and 256 probity checks on behalf of other agencies.

The move to Green Square provided the opportunity to review our security structure, services and technology. Our new premises will incorporate all the proven elements of our current systems, and include improvements based on wide consultation and better physical accommodation.

Infrastructure development: relocation to Green Square

The large infrastructure project to relocate the CMC to new premises continued throughout 2007–08. The relocation to Green Square, Fortitude Valley will not only provide a larger and more functional work environment but also improve our organisational capability.

The CMC will occupy four floors of the Green Square North Tower, a new building which is the first in Queensland to attract a 6-star Green Star rating, the highest for environmental sustainability.

The relocation will be completed in late August 2008, about two months ahead of the original schedule. The CMC's relocation project team has worked closely with Leighton Contractors, Cox Rayner Architects and the Department of Public Works to design a practical and secure working environment for the organisation.

Communication with our stakeholders

We place great importance on ensuring that we provide timely, useful and relevant information to our stakeholders.

This year we released information through:

- research, intelligence and parliamentary reports
- misconduct prevention materials
- crime bulletins
- brochures
- our website
- media releases
- interviews.

Due to the nature of the CMC's work, the organisation attracts significant interest from both the public and the media (see adjacent box). We published 28 media releases about CMC activities, gave 50 media interviews and held two media conferences.

Outreach to the community

We undertake a range of activities to heighten community awareness of the CMC and improve community outreach. Our officers visit numerous stakeholder and community groups to speak about the organisation. In 2007–08 our public presentations included:

- crime conferences throughout Australia
- addresses to high schools on internet safety
- discussions with Indigenous community members on complaints against police
- talks to university students on investigative reports.

See Appendix C for a list of external presentations.

We also take part in other events and activities to promote a broader knowledge of the organisation's work within the community. This financial year we participated in NAIDOC Week and two major Queensland law symposiums.

Media queries in 2007–08

During the reporting period, we received 991 media queries on varied topics such as:

- a public hearing into the actions of Scott Flavell, former Director-General of the Department of Employment and Training
- a committal hearing against former minister Gordon Nuttall and Queensland businessman Ken Talbot relating to secret commissions
- the closure of Operation Alpha Submission Barrier – a major crime operation into drug trafficking – that resulted in 14 principal targets being convicted
- the launch of our report on the public nuisance offence
- a joint education campaign with the Local Government Association of Queensland urging local government candidates to 'keep it clean' during the 2008 elections
- allegations that Queensland Government ministers ordered workers at the Department of Child Safety and Queensland Health not to tell police about hundreds of cases of suspected child abuse and neglect on Cape York
- former minister Pat Purcell facing court on two charges of common assault
- a public forum in Cairns as part of an inquiry into policing in remote Aboriginal and Torres Strait Island communities
- allegations of inappropriate conduct by former minister Merri Rose, referred to the CMC in a letter from the Member for Burnett, Rob Messenger
- a call for submissions from key stakeholder groups and the public about the effectiveness of laws introduced to deal with excessively noisy off-road motorbikes.

Publications

We produce publications including misconduct prevention advice, investigation reports, research into the criminal justice system, and brochures informing the public about our jurisdiction and services.

In 2007–08 our key publications produced included:

- a review for parliament of the public nuisance offence
- an issues paper and invitation for public comment on off-road motorbike noise laws
- a report following up on recommendations contained in our 2003 publication *Seeking justice*
- a full update of our flagship misconduct prevention guide *Facing the facts*
- a profile of drug use patterns and criminal behaviour among watch-house detainees
- a strategic assessment of the cocaine market in Queensland.

See Appendix F for a list of publications.

Online information

Our website continued to be a highly effective way of communicating with our stakeholders. All printed material can be accessed online. The four most consistently popular areas viewed provide information on:

- misconduct prevention materials
- online publications
- current vacancies
- frequently asked questions.

Each of these sections were accessed by several thousand viewers every month.

The most popular publications downloaded by viewers are:

- the Fitzgerald Inquiry report (consistently our most popular publication, nearly 20 years after it was first produced)
- *Facing the facts: a CMC guide for dealing with suspected official misconduct in Queensland public sector agencies*
- *Protecting children: an inquiry in abuse of children in foster care.*

Organisational capability: outlook 2008–09

In 2008–09, we will focus on activities that include:

- Implementing the review of strategic direction currently underway.
- Moving to new premises at Green Square, Fortitude Valley.
- Improving infrastructure, especially in technology and governance.

- Further implementing initiatives to address workforce challenges, including providing enhanced opportunities for career movement within the organisation and leadership and management development.

Appendix A

Compliance information

Privacy

Under Information Standard 42 (IS42), agencies are required to review the way they handle personal information to ensure that they comply with the requirements of the 11 Information Privacy Principles (IPPs) contained in IS42.

The CMC is exempt from IPPs 2, 3, 9, 10 and 11 for all functions except administrative ones. In addition, personal information about a witness who is included in a witness protection program under the *Witness Protection Act 2000*, and personal information about a person arising out of an investigation of misconduct or official misconduct under our Act are exempt. As a result, most of the CMC's core activities are excluded from the privacy scheme.

In accordance with the requirements of IS42, the CMC has nominated a privacy contact officer, developed a privacy plan to give effect to the IPPs, and published the plan on our website. There were no complaints of breaches of privacy in the reporting period.

Freedom of information

The CMC is subject to the *Freedom of Information Act 1992* (FOI Act) which means members of the public are entitled to apply for access to our documents under that Act (see Table 15).

However, section 42(3A) of the *Freedom of Information and Other Legislation Amendment Act 2005* exempts information obtained, used or prepared for an investigation by the CMC or another agency where the investigation is carried out as part of the CMC's crime and misconduct functions. The exemption also applies to such information obtained, used or prepared by its predecessors, the CJC and the QCC, in performing the equivalent functions. The exemption does not apply if a person is seeking information about themselves and the investigation has been finalised.

The exemption provision is considered necessary to ensure that the CMC can protect from disclosure information it receives from public sector employees who voluntarily assist

it in the course of an investigation. It ensures that the CMC remains effective and that confidence in it is maintained so that such employees continue to cooperate with its investigations, rather than obliging the CMC to invoke its coercive powers in every investigation. The FOI Independent Review Panel chaired by Dr David Solomon AM recommended in its report handed down in June 2008 that there be no change to this provision.

Most FOI applications to the CMC are requests by misconduct complainants for access to documents concerning their own complaint. The number of applications received was fewer than in previous years.

Table 15. FOI applications and reviews 2007–08

On hand at 1 July 2007	3
Applications for access	
Personal applications received	20
Non-personal applications received	16
Total applications	39
Access	
Full access granted (personal)	14
Full access granted (non-personal)	6
Partial access granted (personal)	2
Partial access (non-personal)	1
Access refused (all matter exempt)	3
No documents located	4
Withdrawn/lapsed (fee not paid)	7
FOI Act not apply	1
Outstanding at 30 June 2008	1
Reviews	
Internal	2
External (to Information Commissioner)	0
Total reviews	2

Recordkeeping

Consistent with the compliance requirements under the *Public Records Act 2002*, significant improvements in recordkeeping continued throughout 2007–08. Major achievements included:

- development of the 2008–10 Strategic Recordkeeping Implementation Plan and the 2008–09 Operational Recordkeeping Implementation Plan
- implementation of an enhanced records management training package including an online course 'Introduction to recordkeeping'
- completion of compliance checklists for Information Standard 40: *Recordkeeping*, IS 31: *Retention and disposal of public records*, and IS 42: *Privacy*
- review and revision of all records management policies, procedures and associated documents
- implementation of an archival services program to ensure the timely disposal of CMC records and improve the transfer of inactive records to secondary storage.

Overseas travel

No official overseas travel was undertaken by CMC officers during 2007–08.

Expenditure on consultancies

In 2007–08, the CMC spent a total of \$120 452.27 on consultancies.

The following is a summary of the CMC's consultancy register detailing suppliers engaged or paid by the CMC for providing consultancy services during the 2007–08 financial year.

Name of consultant	Project	Invoiced 2007–08 \$ (excl GST)
Management		
The Consultancy Bureau	CMC Strategic Review and Planning Project	14 300.00
Information technology		
B-Sec Consulting	External Intrusion Testing of Internet Network	9 427.27
Human resources		
Dialogue Consulting Pty Ltd	Organisational Restructuring in Research and Prevention	8 875.00
Callan Consulting Group Pty Ltd	Organisational Climate Survey	15 400.00
Mercer Human Resource Consulting	Review of CMC's Employment Offering	72 450.00
Total		120 452.27

Appendix B

Functions of the CMC

Extracts from the *Crime and Misconduct Act 2001*, sections 4, 5, 23–26, 33–35, 52, 53 and 56:

4 Act's purposes

- (1) The main purposes of this Act are—
 - (a) to combat and reduce the incidence of major crime; and
 - (b) to continuously improve the integrity of, and to reduce the incidence of misconduct in, the public sector.

5 How the Act's purposes are to be achieved

- (1) The Act's purposes are to be achieved primarily by establishing a permanent commission to be called the Crime and Misconduct Commission.
- (2) The commission is to have investigative powers, not ordinarily available to the police service, that will enable the commission to effectively investigate particular cases of major crime.
- (3) Also, the commission is to help units of public administration to deal effectively, and appropriately, with misconduct by increasing their capacity to do so while retaining power to itself investigate cases of misconduct, particularly more serious cases of misconduct.

23 Commission's prevention function

The commission has a function (its 'prevention function') of helping to prevent major crime and misconduct.

24 How commission performs its prevention function

Without limiting the ways the commission may perform its prevention function, the commission performs the function by—

- (a) analysing the intelligence it gathers in support of its investigations into major crime and misconduct; and
- (b) analysing the results of its investigations and the information it gathers in performing its functions; and
- (c) analysing systems used within units of public administration to prevent misconduct; and
- (d) using information it gathers from any source in support of its prevention function; and
- (e) providing information to, consulting with, and making recommendations to, units of public administration; and
- (f) providing information relevant to its prevention function to the general community; and
- (g) ensuring that in performing all of its functions it has regard to its prevention function; and
- (h) generally increasing the capacity of units of public administration to prevent misconduct by providing advice and training to the units and, if asked, to other entities; and
- (i) reporting on ways to prevent major crime and misconduct.

25 Commission's major crime function

The commission has a function (its 'crime function') to investigate major crime referred to it by the reference committee.

26 How commission performs its crime function

Without limiting the ways the commission may perform its crime function, the commission performs its crime function by—

- (a) investigating major crime referred to it by the reference committee; and
- (b) when conducting investigations under paragraph (a) gathering evidence for—
 - (i) the prosecution of persons for offences; and
 - (ii) the recovery of the proceeds of major crime; and
- (c) liaising with, providing information to, and receiving information from, other law enforcement agencies and prosecuting authorities, including agencies and authorities outside the State or Australia, about major crime.

33 Commission's misconduct functions

The commission has the following functions for misconduct (its 'misconduct functions')—

- (a) to raise standards of integrity and conduct in units of public administration;
- (b) to ensure a complaint about, or information or matter involving, misconduct is dealt with in an appropriate way, having regard to the principles set out in section 34.

34 Principles for performing misconduct functions

It is the Parliament's intention that the commission apply the following principles when performing its misconduct functions—

- (a) Cooperation
 - to the greatest extent practicable, the commission and units of public administration should work cooperatively to prevent misconduct
 - the commission and units of public administration should work cooperatively to deal with misconduct
- (b) Capacity building
 - the commission has a lead role in building the capacity of units of public administration to prevent and deal with cases of misconduct effectively and appropriately
- (c) Devolution
 - subject to the cooperation and public interest principles and the capacity of the unit of public administration, action to prevent and deal with misconduct in a unit of public administration should generally happen within the unit

(d) Public interest

- the commission has an overriding responsibility to promote public confidence—
 - in the integrity of units of public administration; and
 - if misconduct does happen within a unit of public administration, in the way it is dealt with
- the commission should exercise its power to deal with particular cases of misconduct when it is appropriate having primary regard to the following—
 - the capacity of, and the resources available to, a unit of public administration to effectively deal with the misconduct
 - the nature and seriousness of the misconduct, particularly if there is reason to believe that misconduct is prevalent or systemic within a unit of public administration
 - any likely increase in public confidence in having the misconduct dealt with by the commission directly.

35 How commission performs its misconduct functions

- (1) Without limiting how the commission may perform its misconduct functions, it performs its misconduct functions by doing 1 or more of the following—
- (a) expeditiously assessing complaints about, or information or matters (also 'complaints') involving, misconduct made or notified to it;
 - (b) referring complaints about misconduct within a unit of public administration to a relevant public official to be dealt with by the public official;
 - (c) performing its monitoring role for police misconduct as provided for under section 47(1);
 - (d) performing its monitoring role for official misconduct as provided for under section 48(1);
 - (e) dealing with complaints about official misconduct, by itself or in cooperation with a unit of public administration;
 - (f) investigating and otherwise dealing with, on its own initiative, the incidence, or particular cases, of misconduct throughout the State;
 - (g) assuming responsibility for, and completing, an investigation, by itself or in cooperation with a unit of public administration, if the commission considers that action to be appropriate having regard to the principles set out in section 34;
 - (h) when conducting or monitoring investigations, gathering evidence for or ensuring evidence is gathered for—
 - (i) the prosecution of persons for offences; or
 - (ii) disciplinary proceedings against persons.

- (2) In performing its misconduct functions in a way mentioned in subsection (1), the commission should, whenever possible, liaise with a relevant public official.

52 Research functions

- (1) The commission has the following functions—
- (a) to undertake research to support the proper performance of its functions;
 - (b) to undertake research into the incidence and prevention of criminal activity;
 - (c) to undertake research into any other matter relating to the administration of criminal justice or relating to misconduct referred to the commission by the Minister;
 - (d) to undertake research into any other matter relevant to any of its functions.
- (2) Without limiting subsection (1)(a), the commission may undertake research into—
- (a) police service methods of operations; and
 - (b) police powers and the use of police powers; and
 - (c) law enforcement by police; and
 - (d) the continuous improvement of the police service.

53 Intelligence functions

The commission has the following functions—

- (a) to undertake intelligence activities to support the proper performance of its functions;
- (b) to analyse the intelligence data collected to support its functions;
- (c) to minimise unnecessary duplication of intelligence data;
- (d) to ensure that intelligence data collected and held to support its functions is appropriate for the proper performance of its functions.

56 Commission's other functions

The commission also has the following functions—

- (a) a function of undertaking witness protection;
- (b) a civil confiscation function;
- (c) a function conferred under another Act.

Appendix C

External presentations 2007–08

Date	Presenter	Audience	Topic
31.7.07	Carey Stent, Egret Team	Australian National Joint Reference Group Meeting: Victim Image Library	The role of the CMC: infrastructure/organisational ability to commit to ANVIL Project
1.8.07	Carey Stent, Egret Team	Second National Online Practitioners Workshop, Brisbane	CMC jurisdictional and operational update on current capabilities: overview of online investigations.
1.8.07	Jeffrey Farrah and Laurie Paul, Complaints Services	City Tabernacle Seniors	The role of the CMC
6.8.07	Jeffrey Farrah, Complaints Services	Moorooka 2 Neighbourhood Watch AGM	The role of the CMC
17.8.07	Margot Legosz, Research and Prevention	QUT Faculty of Law and Justice	CMC prostitution and escort reports
21.8.07	Sue Dawson, Egret Team	Burleigh Heads CIB Detective Training Conference	The CMC's role and success in targeting online child-sex offenders
23.8.07	David Goody and Damien Wilson, Proceeds of Crime	Phase 3 Detective Training, QPS Academy	Recovering the proceeds of crime
6.9.07	Carey Stent, Egret Team	Loreto College Senior School (Grades 10–12)	Internet safety and cyber bullying
10.9.07	Carey Stent, Egret Team	Matt Stanley Foundation in conjunction with the Redlands Reformed Christian Church	Internet safety and cyber bullying (parents' presentation)
10.9.07	Tony Morgan, Egret Team	Matt Stanley Foundation in conjunction with the Redlands Reformed Christian Church	Internet safety and cyber bullying (children's presentation)
18.9.07	Tony Morgan	Mt St Michael's College (Grade 10)	Internet safety and cyber bullying
20.9.07	Carey Stent	Lourdes Hill School (Grades 8–12)	Internet safety and cyber bullying
24.9.07	Margot Legosz, Research and Prevention	Australia and New Zealand Society of Criminology conference	Outcall prostitution in Queensland: regulatory considerations and social consequences
26.9.07	Sue Dawson and Carey Stent, Egret Team	PACT (Protect All Children Today) AGM	Egret child protection work; online chat demonstration
26.9.07	Margot Legosz, Research and Prevention	Australia and New Zealand Society of Criminology conference	Sexual victimisation across the life course: the personal experiences of a sample of offenders serving non-custodial sentences in Queensland
27–28.9.07	Laurie Paul, Complaints Services	New recruits, QPS Academy	Functions and roles of the CMC
27.9.2007	Tony Morgan, Egret Team	Phase 2 Detective Training, QPS Academy	Online investigations
27.9.07	David Goody and Angela Pyke, Proceeds of Crime	Phase 3 Detective Training, QPS Academy	Recovering the proceeds of crime
27–28.9.07	Laurie Paul, Complaints Services	New recruits, QPS Academy	Functions and roles of the CMC

Date	Presenter	Audience	Topic
16.10.07	Robert Walker, Helen Couper, Trudie Broderick and Lisa Watson, Complaints Services	Indigenous community members, Cairns	Indigenous complaints against police
23.10.07	Tony Morgan, Egret Team	Redlands College Middle School	Internet safety and cyber bullying
23.10.07	Tony Morgan, Egret Team	Redlands College Senior School	Internet safety and cyber bullying
23.10.07	Brandon Coleman, Misconduct Investigations	International Financial Crime Investigators Association	Facing the facts: assessment, monitoring and investigations
23.10.07	Dianne McFarlane, Complaints Services	APSACC	Workshop facilitator: fact finding and inquiry
23–24.10.07	John Boyd, Misconduct and Policing Program	APSACC	Workshop facilitator: Corruption prevention for managers
23–24.10.07	John Boyd, Misconduct and Policing Program	APSACC	Workshop facilitator: Corruption prevention for managers
23–24.10.07	Narelle George, Misconduct and Policing Program	APSACC	Workshop facilitator: Good decision-making (included conflict of interest issues)
24.10.07	Dominic O'Connell, Egret Team	Detective Training Program, QPS	Witness protection
24.10.07	Commissioner David Gow	APSACC	Session chair – Organisational integrity
24.10.07	John Boyd, Misconduct and Policing Program	APSACC	Regulatory capture: managing the risk
24.10.07	Helen Couper, Complaints Services	APSACC	Panel discussion: Whistleblowing – the challenge of implementation
24.10.07	Robert Needham	APSACC	Workshop facilitator: International delegates workshop
24.10.07	Helen Couper, Complaints Services	APSACC	Workshop facilitator: Fact finding and inquiry
25.10.07	Robert Needham	APSACC	Panel discussion: The role of oversight bodies – help or hindrance?
25.10.07	Susan Johnson, Research and Prevention	APSACC	Panel discussion: Corruption prevention in the public sector – what are the key issues and does it really work?
25.10.07	Susan Johnson, Research and Prevention	APSACC	Corruption risks and prevention practices in NSW and Qld public sectors
25.10.07	Margot Legosz, Research and Prevention	APSACC	Cameo of recent research about police ethics
25.10.07	Robert Needham	APSACC	Panel discussion: Preventing and managing police misconduct – opportunities and challenges
30.10.07	Tony Morgan, Egret Team	Redlands College parents	Internet safety and cyber bullying
1.11.07	Tim Geraghty and Angela Pyke, Proceeds of Crime	Phase 3 Detective Training, QPS Academy	Recovering the proceeds of crime

Date	Presenter	Audience	Topic
7.11.07	Cheryal Kyle and Dan Abednego, Misconduct and Policing Program	Indigenous justice studies students, South Bank College of TAFE	Role and function of the CMC
8.11.07	Andrew Stapleton, Intelligence	QPS Phase 2 Intelligence Course, QPS Academy	Human source operations
8.11.07	Robert Walker, Helen Couper, Trudie Broderick and Lisa Watson, Complaints Services	Indigenous community members, Townsville	Indigenous complaints against police
19.11.07	Tony Morgan and Mitch Castles, Egret Team	Stuartholme School	Internet safety and cyber bullying
29.11.07	Dominic O'Connell	Australian Quality Training Framework 2007	The role of the CMC
4.12.07	Lee-Anne Geissler, Complaints Services	Queensland Health	Compass
6.12.07	Helen Couper, Complaints Services	Emergency Services	Facing the facts (focusing on the CMC's requirements for referral)
11–13.12.07	Laurie Paul and Carla Naumann, Complaints Services	QPS recruits	The role and function of the CMC
13.12.07	Helen Couper, Complaints Services	Department of Primary Industries and Fisheries	Facing the facts
18.12.07	Lee Shepherd, Misconduct Investigations	Department of Justice and Attorney-General graduates	The role of covert policing within Misconduct Investigations at the CMC
8.1.08	Helen Couper, Complaints Services	Queensland Health	Facing the facts
14.1.08	Craig Doran, Felix Grayson and Len Potts	Chief Magistrates Office	A presentation of the electronic brief (e-brief)
25.1.08	Dominic O'Connell, Egret Team	Detective training	Witness protection information for investigators
1.2.08	Laurie Paul, Complaints Services	QPS recruits	The role and functions of the CMC
12.2.08	Jeffrey Farrah, Complaints Services Public Sector Program Complaints Services	Queensland Transport inspectors	The role of the CMC, particularly its misconduct functions
22.2.08	David Goody and Tim Geraghty, Proceeds of Crime	Phase 3 Detective Training, QPS Academy	Recovering the proceeds of crime
7.3.08	John Callanan, Assistant Commissioner, Crime	Queensland Law Society annual symposium	Coercive hearings conducted by investigative agencies; representing clients called to give evidence at hearings
12.3.08	Mark Docwra, Complaints Services	Office of Fair Trading 2008 Investigators Conference	Corruption risks for investigators; reasons for codes of conduct, policy, procedures and ethical behaviour; and the role of the CMC
27.3.08	Stephen Lambrides, Assistant Commissioner, Misconduct	New Era in Local Government Conference	Presentation to mayors about responsibilities to councils and community; the role of the CMC
27.3.08	Mark Docwra, Complaints Services	Department of Primary Industries and Fisheries staff, Rockhampton	Facing the facts

Date	Presenter	Audience	Topic
8.4.08	John Callanan, Assistant Commissioner, Crime and Russell Pearce, Misconduct Investigations	Coercive Hearings Forum, Sydney	The unique aspects of the CMC's hearings power
10.4.08	David Goody and Tim Geraghty, Proceeds of Crime	Phase 3 Detective Training, QPS Academy	Recovering the proceeds of crime
18.4.08	John Callanan, Assistant Commissioner, Crime and Craig Doran, Organised Crime Team	Law and Order Conference	The development of the electronic brief in complex criminal investigations
27.5.2008	John Callanan, Assistant Commissioner, Crime and Craig Doran, Organised Crime Team	Annual Queensland Magistrates Conference	The development of the electronic brief in complex criminal investigations
19.6.2008	David Goody and Nicole Corone, Proceeds of Crime	Phase 3 Detective Training, QPS Academy	Recovering the proceeds of crime
25.6.2008	Craig Doran, Organised Crime Team	Environmental Protection Agency	Presentation of e-brief

Appendix D

Public interest disclosures received in 2007–08

Analysis of public interest disclosures received by the CMC in 2007–08

Section of <i>Whistleblowers Protection Act 1994</i>	Verified (by CMC)	Not verified (by CMC)	Referred to other agency	Under consideration (by CMC)	Total referred and not verified	Total referred and verified	Totals
15: Public officer complaining of official misconduct	5	141	411*	3	120	62	742
16: Public officer complaining of maladministration		3	1*		4		8
17: Public officer complaining of improper management		1	8*				9
18: Public officer complaining of health/environment matter			6*		4	3	13
19: Any person complaining of public health or safety matter							
20: Any person complaining of reprisal		15	38*		13	4	70
Totals	5	160	464*	3	141	69	842

Note: There were 251 complaints received that consisted of 842 allegations. This table details the status of the allegations.

* The outcomes of the allegations in this category may not be known at this stage.

Appendix E

EEO statistics 2007-08

Figure E1. Membership of EEO target groups 2003-04 to 2007-08

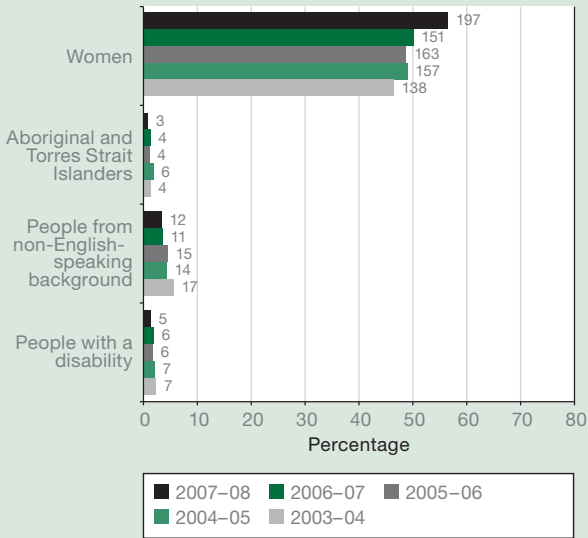


Figure E2. Employees by gender and employment status as at 30 June 2007

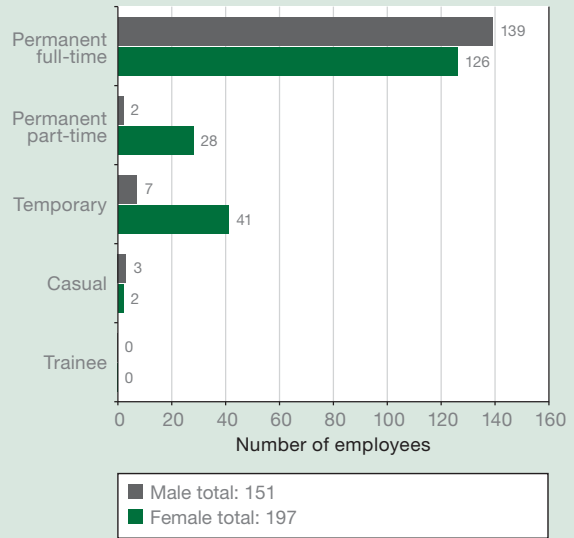


Figure E3. Employees by gender and age as at 30 June 2007

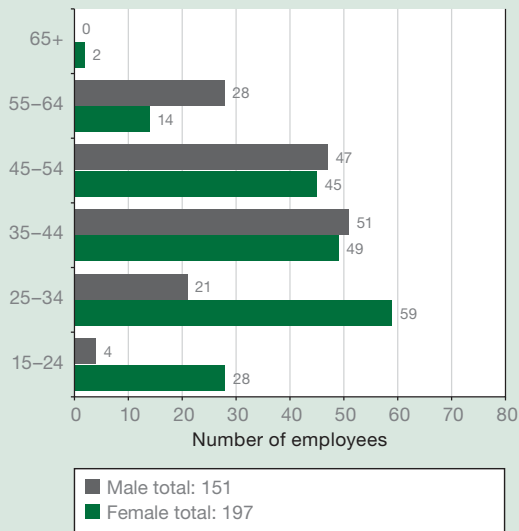
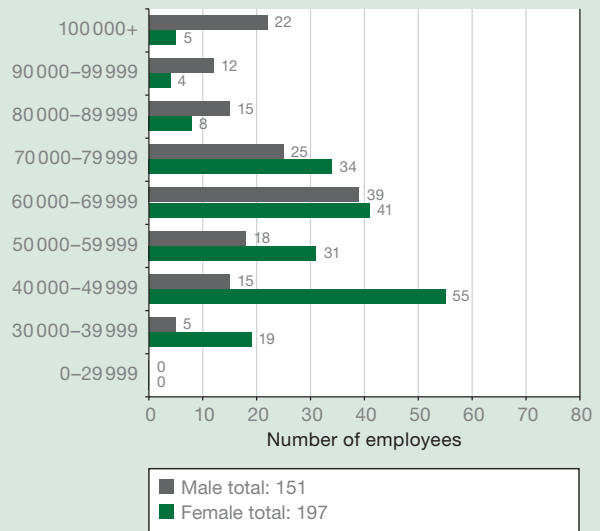


Figure E4. Employees by gender and annual salary as at 30 June 2007



Appendix F

Publications 2007–08

The following lists significant publications published by the CMC during 2007–08.

Corporate

Strategic plan 2008–12, June 2007.

Annual Report 2006–07, October 2007.

Crime Bulletin

The cocaine market in Queensland: a strategic assessment, no. 8, September 2007.

Discussion/interim papers

Review of off-road motorbike noise laws: issues paper and invitation for public comment, June 2008.

Misconduct prevention material

I need to make a complaint but who do I talk to?, July 2007.

Facing the facts: a CMC guide for dealing with suspected official misconduct in Queensland public sector agencies, revised edition, September 2007.

Keeping your code of conduct relevant: a best practice checklist, November 2007.

Don't risk your campaign!, December 2007.

Managing internal witnesses: a good practice checklist for the public sector, May 2008.

Research and Issues series

Childhood physical abuse and adult offending: are they linked, and is there scope for early intervention?, no. 6, July 2007.

Research reports

Breaking the cycle: a study of victimisation and violence in the lives of non-custodial offenders, July 2007.

Public perceptions of the Queensland public service and local government: findings from the 2005 Public Attitudes Survey, September 2007.

The Queensland Police Dog Squad: a CMC review of complaints and bite incidents, November 2007.

Drugs and crime: trends among watch-house detainees, March 2008.

How the criminal justice system handles allegations of sexual abuse: a review of the implementation of the recommendations of the Seeking justice report, March 2008.

Policing public order: a review of the public nuisance offence, May 2008.

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About the financial statements

Income statement (revenues and expenses)

The income statement serves to show the comparison of revenues to expenses for the year. In prior years this was called the statement of financial performance.

Approximately 97 per cent of the CMC's revenue is derived from government grants. For the year ended 30 June 2008, the CMC recorded a balanced budget position with expenses equalling revenue.

Statement of changes in equity

The statement of changes in equity (new statement this year) highlights the movement in the equity of the agency. Equity is the net worth of the agency and is simply represented by total assets less total liabilities in the balance sheet. The normal entries affecting this statement include: the operating outcome (either surplus or deficit); accounting policy changes; equity injections or withdrawals; and asset revaluations. For 2007-08 the CMC's total equity movement is due to the equity injection to assist with the fitout costs of the CMC's new leasehold premises at Green Square.

Balance sheet

The balance sheet (formerly referred to as the statement of financial position) is the best guide to the financial health of an organisation. It is a snapshot taken at the end of the reporting period, showing what assets were held, what amounts were owing to creditors and staff, and the surplus of assets over liabilities – in other words, the equity of the CMC.

Assets. Assets are things controlled by an organisation, and are generally divided into 'current assets' such as cash and debtors or 'fixed assets' such as property, plant and equipment.

Current assets are those assets that can be readily converted into cash within the next 12 months. In the CMC's case, current assets include cash, receivables/debtors and prepayments.

- *Cash* is the closing balance of all the CMC's bank accounts as at 30 June.

- *Receivables/debtors* represent the amounts of cash the CMC was owed at 30 June and is confident of receiving. The Australian Taxation Office is the CMC's biggest debtor, owing it \$477 061 (of the total receivables \$672 000 at 30 June) for GST input tax credits – that is, the refund of GST that has been paid to suppliers and government departments.
- *Prepayments* occur when payments are made in advance of receiving the services or goods. Examples would be annual memberships, vehicle registrations, or maintenance agreements that still have effect after 30 June. The proportion of these payments in advance that relate to periods after 30 June, becomes the prepayment. (This year it was \$359 000.) Prepayment amounts are expensed in the following financial year.

Non-current assets are those assets that an organisation does not plan to convert into cash within the next 12 months. In the CMC's case, non-current assets of \$12 316 000 include property, plant and equipment, and leasehold improvements. The CMC leases its accommodation.

- *Plant and equipment* are those tangible things that are needed to help employees do their work, such as vehicles, electronic equipment, cameras and computers that have an individual value greater than \$5000.
- *Leasehold improvements* are building works performed in leased premises. Initially, leasehold improvements are capitalised and then amortised (or liquidated) over the remaining life of the lease. The value of property, plant and equipment and leasehold improvements in the statement of financial position is a net figure derived by subtracting an allowance that represents wear and tear or obsolescence from the original cost of the asset. This allowance is called depreciation (relating to property, plant and equipment and leasehold improvements).

Liabilities. Liabilities are the amounts owed by the CMC to others. They are divided into 'current' and 'non-current', depending on how soon the debt is to be repaid.

- *Current liabilities* are debts that an organisation plans to repay within the next 12 months. In the CMC's case, \$3 708 000 in current liabilities relate to payables (creditors), provisions and lease incentives.

- *Payables or creditors* are debts accrued by purchasing goods and services on credit. The CMC policy is to pay all invoices before their due date, to take advantage of any benefits such as discounts for prompt payment. Suppliers are actively encouraged to accept electronic funds transfers (EFT) instead of cheque payments, to reduce the CMC's administrative overheads.
- *Provisions* of \$2 304 000 have been set aside to cover the first four weeks of employees' accumulated annual leave entitlements as at 30 June. The CMC does not need to provide for its employees' long-service leave entitlements because long-service leave is catered for within the QSuper fund, which is administered by Queensland Treasury and funded by a levy each fortnight on the payroll.
- *Lease incentive liability.* During 2007–08, the CMC received a total of \$3 872 000 as an incentive to lease premises at Green Square. This incentive was used to pay for part of the fitout of the new premises. In accordance with Australian Accounting Standard AAS17, the organisation is required to treat this incentive as a liability (borrowing). This liability is then reduced each year by treating part of the lease instalments payable as a repayment. The amount of \$295 000 shown as a current liability represents that part of the liability or borrowing that will be reduced by lease instalments during 2008–09.

Non-current liabilities are those liabilities where an organisation has no legal requirement to repay the debt within the next 12 months. In the CMC's case, non-current liabilities of \$3 922 000 relate to non-current employee leave provisions of \$345 000 and \$3 577 000 for the non-current part of the lease incentive liability. This represents that part of the liability or borrowing that will still be outstanding at 30 June 2009 (that is, will not be extinguished in the next 12 months).

Net assets. The figure for the CMC's net assets of \$14 639 000 (\$4 932 000 last year) is the difference between total assets and total liabilities. The difference between years is due to an equity injection to assist with our leasehold fitout expenses and an increased cash holding at 30 June to pay creditors.

The CMC's assets value exceeds its liabilities. Further, a good test of an organisation's financial health is its liquidity ratio (also known as the current ratio, because it compares current assets to current liabilities), for which the CMC has a ratio of 2.68 to 1 (2.31 last year).

Equity. Equity balances are made up of initial start-up balances, prior year's surpluses (or deficits) and reserves. Equipment reserves occur when, in any year, the amount of depreciation is greater than the new capital, plant and equipment purchases.

The capital/equity contributions of \$13 943 000 relate to the closing equity balances of the Criminal Justice Commission and the Queensland Crime Commission as at 31 December 2001 together with an equity injection of \$9 707 000 for our leasehold fitout. The closing balances of those organisations became the opening balances of the CMC.

The accumulated surplus of \$696 000 is derived from the prior year's operating results.

Statement of cash flows

This statement represents the CMC's actual movements of cash during the 12-month period to 30 June 2008.

Note: The cash at the end of the reporting period, as shown in the cash flow statement, must always be equal to the cash at bank in the Balance Sheet.

Notes to and forming part of the financial statements

The notes explain in more detail particular line item amounts from the financial statements. They also disclose other matters such as events after balance date (30 June) and accounting policies. The notes should be read together with the other parts of the financial statements.

Financial statements

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Income statement

for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Income			
Revenue			
Contributions and grants	1(b) 2(a)	36 688	35 012
Interest	1(h)	1 021	529
Services received below fair value	1 (b)	62	34
Other revenue	1(b)	9	80
Gains			
Gains from sale of property, plant and equipment	1(b)	16	26
Total Income		37 796	35 681
Expenses			
Depreciation and amortisation	1(d)2(b)	1 030	1 361
Employee expenses	2(d)	27 750	26 137
Supplies and services	2(c)	8 998	8 187
Loss from sale of assets	1(b)	18	22
Total expenses		37 796	35 707
Operating surplus/(deficit)		-	(26)

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

Balance sheet

as at 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Assets			
Current assets			
Cash and cash equivalents	1(e) 3 11(a)	8 922	4 948
Receivables	1(f) 4 11(a)	672	298
Other assets	1 (g) 5	359	377
Total current assets		9 953	5 623
Non-current assets			
Property, plant and equipment	1(c) 6	12 316	2 082
Total non-current assets		12 316	2 082
Total assets		22 269	7 705
Liabilities			
Current liabilities			
Payables	1(i) 7	839	293
Accrued employee benefits	1 (j) 8	1 959	1 767
Other	9	910	369
Total current liabilities		3 708	2 429
Non-current liabilities			
Accrued employee benefits	1 (j) 8	345	344
Other	9	3 577	-
Total non-current liabilities		3 922	344
Total liabilities		7 630	2 773
Net assets		14 639	4 932
Equity			
Contributed capital		13 943	4 236
Retained surpluses		696	696
Total equity		14 639	4 932

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

Statement of changes in equity

for the year ended 30 June 2008

	Note	Retained surpluses		Contributed equity	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000
Balance 1 July		696	722	4 236	4 236
Equity injection	1 (c)			9 707*	-
Surplus/(deficit) for the period		-	(26)		-
Balance 30 June		696	696	13 943	4 236

* Government grant for relocation to Green Square

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

Cash flow statement

for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Cash flows from operating activities			
Inflows			
LSL reimbursement received		21	(11)
Government contributions and grants		37 303	35 012
Interest receipts		989	528
GST collected from customers		30	19
GST input tax credits from ATO		2 130	1 831
Other		37	153
		40 510	37 532
Outflows			
Employee expenses		(27 555)	(26 165)
Supplies and services		(4 689)	(5 490)
Leases		(3 684)	(3 458)
GST paid to suppliers		(2 472)	(1 729)
GST remitted to ATO		(79)	(21)
		(38 479)	(36 863)
Net cash provided by (used in) operating activities	10(b)	2 031	669
Cash flows from investing activities			
Inflows			
Proceeds from sale of plant and equipment		222	335
Outflows			
Payments for purchases of property, plant and equipment		(7 986)	(703)
Net cash provided by (used in) investing activities		(7 764)	(368)
Cash flows from financing activities			
Inflows			
Non-appropriated equity injection		9 707	-
Net cash provided by (used in) financing activities		9 707	-
Net increase in cash held		3 974	301
Cash at beginning of financial year		4 948	4 647
Cash at end of financial year	10(a)	8 922	4 948

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

Notes to and forming part of the financial statement for the year ended 30 June 2008

Objectives and principal activities of the Crime and Misconduct Commission

The objectives of the Commission are threefold:

1. Combat and prevent the incidence of major crime

To combat and prevent major crime the CMC works with the Queensland Police Service (QPS) and other law enforcement agencies to fight crimes defined in the *Crime and Misconduct Act 2001*. It does this through a range of law enforcement and crime prevention initiatives including research and prevention activities, intelligence analysis, target identification and development, investigative hearings, gathering of evidence for prosecution action, recovery of the proceeds of crime and provision of policy-relevant information and advice. Also, the CMC undertakes a range of research activities into the incidence and prevention of criminal activity and into other matters relating to the administration of criminal justice referred to it by the Minister or required by other legislation.

2. Reduce misconduct and promote high standards of integrity in the public sector

The CMC's jurisdiction covers misconduct within the Queensland Public Sector, including the police service, departments, statutory authorities, universities, local governments, courts, prisons and on the part of State elected officials. The CMC handles complaints about misconduct, conducts investigations, monitors how agencies deal with complaints, takes a lead role in building the capacity of agencies to prevent and deal with misconduct and undertakes related research, intelligence and prevention activities. The Commission also has a legislative role of conducting research into police powers and methods of operation and undertakes research related to Misconduct activities required by other legislation.

3. Provide an effective witness protection service

The CMC provides Queensland's only witness protection services. The majority of protected witnesses are referred to the CMC by QPS.

Note 1: Summary of significant accounting policies

(a) Basis of accounting

General

These financial statements are a general purpose financial report and have been prepared in accordance with the *Financial Administration and Audit Act 1977*, Financial Management Standard 1997, Australian Equivalents to International Financial Reporting Standards (AEIFRS) and other authoritative pronouncements.

This financial report has been prepared on an accrual and going concern basis.

The financial report has also been prepared under the historical cost convention except where specifically stated.

Accounting policies

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year. Where appropriate, comparative figures have been amended to accord with current presentation and disclosure.

Notes to and forming part of the financial statement for the year ended 30 June 2008

Note 1(a) continued

Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next 12 months, being the Commission's operating cycle.

Rounding

Unless otherwise stated, amounts in the report have been rounded to the nearest thousand dollars.

(b) Revenue recognition

Revenue is recognised when goods or services are delivered.

Services received below fair value

Contributions of services are recognised only if the services would have been purchased if they had 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.

Contributions and grants

Government grants and contributions are recognised as operating revenue when an entitlement is established and disclosed in the Income Statement and in the Cash Flow Statement as Government Contributions and Grants.

Sale of assets

The gain or loss on sale of an asset is determined when control has passed to the buyer.

Other revenue

Other revenue relates to income from disposal of non-capitalised assets and miscellaneous income.

(c) Recognition and measurement of property, plant and equipment

Acquisition

Actual cost is used for the initial recording of all acquisition of non-current physical and intangible assets controlled by the Commission. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition.

Measurement

Items of property, plant and equipment with a cost or other value equal to or in excess of \$5000 are recognised as assets for financial reporting purposes in the year of acquisition. All other items of property, plant and equipment are expensed on acquisition.

The carrying amounts for plant and equipment measured at cost should not materially differ from their fair value.

Notes to and forming part of the financial statement for the year ended 30 June 2008

Note 1(c) continued

Repairs and maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

Terrica Place

Costs relating to the fit-out of leasehold premises at Terrica Place were capitalised as leasehold improvements and, in accordance with AASB116 Property, Plant and Equipment, have been depreciated over the term of the lease. The Terrica Place lease was due to expire in March 2008 but the Commission's new premises were not available until August 2008. Consequently it was necessary to negotiate an extension of this lease on a month-to-month basis until the new premises were available. To accommodate this, the life of the leasehold improvements at Terrica Place was reassessed to expire on 31 August 2008 by which time all occupancy of the Terrica Place premises by the Commission is expected to have ceased.

Green Square

The initial leasehold improvements at Green Square are expected to have a value of \$13 579 000. The funding for this has been provided by an equity injection of \$9 707 000 from Queensland Treasury and an incentive allowance of \$3 872 000 provided by the developers, Leighton Holdings. The leasehold improvements will be depreciated over the life of the lease which is 13 years. The lease incentive will be treated according to AASB 117 Leases. The leasehold incentive will be amortised over the period of the lease as prescribed by UIG Interpretation 115.

The certificate of practical completion was provided by the builder on 4 July 2008.

The current balance of expenditure on leasehold improvements at Green Square is recognised in these statements as work in progress and will be transferred to Leasehold improvements during the 2008/09 financial year on occupancy of the tenancy.

Impairment of non-current assets

All non-current assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Commission determines the asset's recoverable amount.

Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost. An impairment loss is recognised immediately in the income statement. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised as income.

Notes to and forming part of the financial statement for the year ended 30 June 2008

Note 1 continued

(d) Depreciation of property, plant and equipment

Depreciation is calculated on a straight-line basis so as to allocate the net cost of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Commission.

Where assets have separately identifiable components, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the original 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 Commission.

Major depreciation periods used are listed below and are consistent with that of the prior year unless otherwise stated.

Class	Periods
General and technical equipment	
General	7 years
Technical	5 years
Computer equipment	
On five-year replacement cycle	5 years
On four-year replacement cycle	4 years
On three-year replacement cycle	3 years
Motor vehicles	5 years
Leasehold improvements Terrica Place	5.90 years
Leasehold improvements Green Square*	13 years
Leasehold improvements other	4.44 years

* Commencing 2008/09 year.

(e) Cash and cash equivalents

For the purposes of the balance sheet and the cash flow statement, cash assets include all cash and cheques receipted but not banked, as well as deposits at call with financial institutions. It also includes liquid investments with short periods to maturity that are convertible to cash on hand at the Commission's option and that are subject to low risk of changes in value.

(f) Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, with settlement being generally required within 30 days from the invoice date.

The collectability of receivables is assessed periodically with provision being made for doubtful debts if required.

If they occur, bad debts are written off in the period in which they are recognised.

(g) Prepayments

The Commission has determined that only prepayments on invoices greater than and equal to \$1000 will be recognised in its accounts. This recognition will occur at the time the invoice is processed for payment.

Notes to and forming part of the financial statement for the year ended 30 June 2008

Note 1 continued

(h) Other financial assets

Investments are measured at cost. Interest is recognised on an accrual basis.

(i) Payables

Trade creditors are recognised for amounts payable in the future for goods and services received, whether or not billed to the Commission.

Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

(j) Accrued employee benefits

Salaries and wages

Salaries and wages due but unpaid at reporting date are recognised in the balance sheet at the remuneration rates expected to apply at the time of settlement. Payroll tax and workers' compensation insurance are a consequence of employing employees, and are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses. Employer superannuation contributions and long service leave levies are regarded as employee benefits.

Annual leave

Annual leave benefits are accrued on a pro rata basis in respect of services provided by employees up to balance date and are calculated having regard to the expected future rates of pay and on costs.

The value of the first twenty days of annual leave benefits accrued by employees has been treated as a current liability. The value of any annual leave benefits in excess of twenty days has been treated as a non-current liability. The provision for annual leave has been made at nominal value as required by AASB 119 Employee Benefits.

Sick leave

Sick leave is expensed as incurred.

Long service leave

Under the State Government's long service leave scheme a levy is made on the Crime and Misconduct Commission to cover this expense. Levies are expensed in the period in which they are paid or payable. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken.

No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-government basis and reported in the financial report prepared pursuant to AAS 31 Financial Reporting by Governments.

Superannuation

Employees of the Crime and Misconduct Commission are members of QSuper, the superannuation plan for Queensland Government employees, at rates determined by the State Actuary. Contributions to employee superannuation plans are expensed at the time the contributions are paid or become payable.

The Commission is not liable for any unfunded liability in respect of the above employer sponsored superannuation scheme.

Notes to and forming part of the financial statement for the year ended 30 June 2008

Note 1(j) continued

No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-government basis and reported in the whole-of-government financial report pursuant to AAS 31 Financial Reporting by Governments.

Executive remuneration

The executive remuneration disclosures in the employee expenses note (note 2[d]) in the financial statements include:

- the aggregate remuneration of all senior executive officers whose remuneration for the financial year is \$120000 or more; and
- the number of senior executives whose total remuneration for the financial year falls within each successive \$20000 band, commencing at \$120000.

Remuneration received or due and receivable by Commissioners and specified Executives of the Crime and Misconduct Commission in connection with the management of the Commission, includes salary and allowances, contributions to members' superannuation, accrued leave and fringe benefits paid on motor vehicles.

The Chairperson, Commissioners and specified Executives are eligible to become members of a superannuation plan established under the *Superannuation (State Public Sector) Act 1990*.

(k) Taxation

The activities of the Commission are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, input tax credits receivable from and GST payable to the Australian Taxation Office are recognised and accrued.

(l) Insurance

The Crime and Misconduct Commission is insured by the Queensland Government Insurance Fund (QGIF) for property and general liability.

(m) Operating leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Commission.

(n) New and revised accounting standards

No Australian accounting standards and interpretations issued or amended and applicable for the first time in the 2007-08 financial year have an effect on the Crime and Misconduct Commission (CMC). Also, the CMC has followed changes and suggestions of Queensland Treasury in regards to its accounting policies.

The CMC is not permitted to early adopt a new accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury. Consequently, the CMC has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The CMC will apply these standards and interpretations in accordance with their respective commencement dates.

Notes to and forming part of the financial statement

for the year ended 30 June 2008

Note 2: Income Statement Disclosures

	2008	2007
	\$'000	\$'000
(a) Contributions and grants		
Queensland Government	36 688	35 015
Other	-	(3)
	36 688	35 012
(b) Depreciation		
Motor vehicles	191	196
Computer equipment	158	192
General and technical equipment	176	167
Leasehold improvements	505	806
	1 030	1 361
(c) Supplies and services		
Rental expense – operating lease	3 684	2 966
Auditors remuneration – Queensland Audit Office*	56	47
Communications	305	332
Computer software/services	369	148
Consultants	120	127
Contractors	35	60
Contract support	219	232
Electricity	118	141
Employment agency staff	141	118
Equipment – non assets	532	382
Information retrieval and access	284	288
Legal and litigation costs	312	377
Maintenance	299	259
Motor vehicles	297	314
Operational expenses	446	591
Other supplies and services	996	881
Other supplies & services (goods provided below fair value)	62	34
Project costs	79	37
Security	304	266
Travel	314	545
Other expenses	26	42
	8 998	8 187

* Total external audit fees relating to the 2007–08 financial year were estimated to be \$45 100 (2006–07: \$44 800). There were no non-audit services included in this amount.

Notes to and forming part of the financial statement

for the year ended 30 June 2008

Note 2 continued

	2008 \$'000	2007 \$'000
(d) Employee expenses		
Employee benefits		
Salaries and wages	20 058	18 449
Annual leave	1 462	1 786
Employer superannuation contributions*	2 793	2 582
Long service leave*	381	359
Other employee benefits	812	714
Employee Related Expenses		
Worker's compensation premium*	188	204
Payroll tax*	1 203	1 142
Other employee related expenses	853	901
	27 750	26 137

* Costs of workers' compensation insurance and payroll tax are a consequence of employing employees, but are not counted in employee's total remuneration packages. They are not employee benefits, but rather employee related expenses. Employer superannuation contributions and the long service leave levy are regarded as employee benefits.

The Commission had 305.3 full time equivalent employees at 30 June 2008 (266.2 full time equivalent at 30 June 2007).

Executive remuneration

(a) Chief Executive's remuneration

The Chairperson's conditions of employment also include entitlement to private use of a motor vehicle and leave equivalent to the public service except for long service leave. The Chairperson is not eligible for a performance bonus.

The position of Chairperson has been held by Robert Needham for both financial years ending 30 June 2007 and 30 June 2008.

	Superannuable salary \$	Allowances and benefits ¹ \$	Total remuneration \$
2008	324 353	92 923	417 276
2007	311 341	73 087	384 428

¹ Allowances and benefits are made up of employer superannuation contribution at 12.75%, annual leave loading of 17.5% on four weeks' leave, motor vehicle allowance, expense of office allowance and reportable fringe benefits tax on motor vehicles.

Notes to and forming part of the financial statement for the year ended 30 June 2008

Executive remuneration continued

(b) Commissioners' remuneration

The remuneration paid to part-time Commissioners is determined by the Minister and based on rates specified in the guidelines for *Remuneration of part-time chairs and members of government boards, committees and statutory bodies*. The remuneration amounts shown include superannuation.

		2008	2007
		\$	\$
David Gow		46 078	38 796
Julie Cork	(Ceased 10 November 2007)	17 247	38 725
Hon. Douglas Drummond QC	(Ceased 16 April 2008)	37 609	38 725
Ann Gummow		46 078	32 767
Judith Bell	(Commenced 20 May 2008)	3 964	-
	Total	150 976	149 013

(c) Executives' remuneration

The threshold of disclosed salaries has increased from \$100 000 to \$120 000 to exclude staff officers who are covered by the CMC Certified Agreement. The executive remuneration now only covers senior executives who are employed under contract. Consequently the comparative figure for 2007 has been altered to conform to the same criteria.

The number of senior executive who received or were due to receive total remuneration of \$120 000 or more:

	2008	2007
\$120 000 to \$139 999	-	3
\$140 000 to \$159 999	6	2
\$160 000 to \$179 999	3	4
\$180 000 to \$199 999	-	2
\$200 000 to \$219 999	-	-
\$220 000 to \$239 999	2	2
	Total	13

The total remuneration of executives shown above at 30 June 2008 was \$1 870 411 (\$1 883 207 at 30 June 2007).

** The amount calculated as executive remuneration in these financial statements includes the direct remuneration received, as well as allowances and benefits. These allowances and benefits are made up of employer superannuation contribution of 12.75%, annual leave loading of 17.5% on 4 weeks leave, motor vehicle allowance, and reportable fringe benefits on vehicles.

Notes to and forming part of the financial statement

for the year ended 30 June 2008

Note 3: Cash and cash equivalents

	2008 \$'000	2007 \$'000
Cash on hand	40	30
Cash at bank	2 443	2 539
Deposits on call	6 439	2 379
	8 922	4 948

The Commission has provided a \$300 000 bank guarantee pursuant to a lease agreement. This amount is included in deposits on call above.

Note 4: Receivables

GST receivable	540	198
GST payable	45	(4)
Long service leave reimbursement	32	53
Interest receivable	41	8
Other receivables	14	43
	672	298

Note 5: Other assets

Current		
Prepayments	359	377
	359	377

Note 6: Property, plant and equipment

Buildings at cost (Leasehold)	5 155	5 155
Less: Accumulated depreciation	(5 033)	(4 527)
	122	628
Plant & equipment at cost	2 845	2 545
Less: Accumulated depreciation	(1 301)	(1 091)
	1 544	1 454
Work in progress	10 650	-
Total	12 316	2 082

The Commission had 27 assets with a written down value of zero which were still in use at 30 June 2008. The original cost of these assets totalled \$374 736.

Notes to and forming part of the financial statement

for the year ended 30 June 2008

Note 6 continued

Movements during the reporting period

	Motor vehicles		Computer equipment		General and technical equipment		Leasehold improvements		Work in progress		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	759	787	224	387	471	520	628	1 377	-	-	2 082	3 071
Acquisitions	483	499	82	29	274	118	-	57	10 650	-	11 489	703
Disposals	(237)	(331)	-	-	13	-	-	-	-	-	(224)	(331)
Depreciation	(191)	(196)	(158)	(192)	(176)	(167)	(506)	(806)	-	-	(1 031)	(1 361)
Carrying amount at 30 June	814	759	148	224	582	471	122	628	10 650	-	12 316	2 082

Notes to and forming part of the financial statement

for the year ended 30 June 2008

Note 7: Payables

	2008 \$'000	2007 \$'000
Current:		
Trade creditors	839	293
	839	293

Note 8: Accrued employee benefits

Current:		
Accrued salaries and wages	500	408
Accrued long service leave levy	71	57
Annual Leave	1 225	1 106
Other employee related expenses	163	196
	1 959	1 767
Non-current:		
Annual leave	345	344
	345	344

Note 9: Other liabilities

Current:		
Unearned revenue – grants	615	-
Lease incentive	295	369
	910	369
Non-current:		
Lease incentive	3 577	-
	3 577	-

Notes to and forming part of the financial statement

for the year ended 30 June 2008

Note 10: Cash Flow Statement — disclosures

(a) Cash at the end of the year, as shown in the cash flow statement

	2008	2007
	\$'000	\$'000
Cash on hand	40	30
Cash at bank	2 443	2 539
Deposits on call	6 439	2 379
	8 922	4 948

(b) Reconciliation of operating surplus to net cash provided by (used in) operating activities

Operating surplus/(deficit)	-	(26)
Non-cash items		
Depreciation expense	1 030	1 361
Other non-cash transactions adjustment		(5)
Change in operating assets and liabilities :		
(Decrease) Increase in LSL payable	14	(3)
(Increase) Decrease in lease capitalisation	-	(492)
(Increase) Decrease in interest receivable	(33)	(1)
(Increase) Decrease in LSL reimbursement receivable	22	(11)
(Increase) Decrease in other receivable	29	73
Increase (Decrease) in GST payable	(49)	(2)
(Increase) Decrease in GST input tax credits receivable	(342)	102
(Increase) Decrease in prepayments	18	(70)
(Decrease) Increase in accounts payable	547	(231)
(Decrease) Increase in salaries payable	93	15
(Decrease) Increase in withholding tax	-	2
(Decrease) Increase in other employee related expenses	(33)	4
(Decrease) Increase in provision for annual leave	120	(47)
(Decrease) Increase in unearned revenue — grants	615	-
Net cash provided by operating activities	2 031	669

Notes to and forming part of the financial statement

for the year ended 30 June 2008

Note 11: Financial instruments

(a) Categorisation of financial instruments

	Notes	2008 \$'000	2007 \$'000
Financial assets			
Cash and cash equivalents	3	8 922	4 948
Receivables	4	627	298
Total		9 549	5 246
Financial liabilities			
Payables	7	839	293
Lease incentive	9	3 872	369
Total		4 711	662

(b) Credit risk exposure

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 provisions for impairment.

The following table represents the department's maximum exposure to credit risk based on contractual amounts net of any allowances.

Maximum exposure to credit risk

	Notes	2008 \$'000	2007 \$'000
Financial assets			
Cash and cash equivalents	3	8 922	4 948
Receivables	4	627	298
Total		9 549	5 246

The Commission manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

(c) Liquidity risk

The Commission manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Commission has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum 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 Commission. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the repayment of the principal amount outstanding at balance date.

Notes to and forming part of the financial statement for the year ended 30 June 2008

Note 11(c) continued

	Notes	Payable at 30 June 2008			Total
		< 1 year	1-5 years	> 5 years	
Financial liabilities					
Payables	7	839	-	-	839
Lease incentive	9	295	1 192	2 385	3 872
		1 134	1 192	2 385	4 711

	Notes	Payable at 30 June 2007			Total
		< 1 year	1-5 years	> 5 years	
Financial liabilities					
Payables	7	293	-	-	293
Lease incentive	9	369	-	-	369
		662	-	-	662

(d) Market risk

The Commission does not trade in foreign currency and is not exposed to commodity price changes. The Commission is exposed to interest rate risk through its cash deposited in interest-bearing accounts. The Commission does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy.

Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss if interest rates would change by +/- 1% from the year-end rates applicable to the commission's financial assets and liabilities. With all other variables held constant, the commission would have a surplus and equity increase/(decrease) of \$88 820 (2007: \$49 190).

Financial instruments	Carrying amount (\$'000)	2008 Interest rate risk			
		-1%		+1%	
		Profit (\$'000)	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)
Cash	8 882	(89)	(89)	89	89

Financial instruments	Carrying amount (\$'000)	2007 Interest rate risk			
		-1%		+1%	
		Profit (\$'000)	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)
Cash	4 919	(49)	(49)	49	49

Notes to and forming part of the financial statement

for the year ended 30 June 2008

Note 12: Commitments for expenditure

(a) Capital expenditure commitments

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

	2008 \$'000	2007 \$'000
Leasehold improvements		
Not later than one year	2 901	10 678
Later than one year and not later than five years	-	-
	2 901	10 678

Note: The full anticipated capital cost for the CMC's leasehold fit out at Green Square, Fortitude Valley excluding GST is \$13 579 000, which is funded by \$9 707 000 in government grant and \$3 872 000 in a lease incentive provided by the building developer.

(b) Operating commitments

Lease commitments

At 30 June the Commission had the following operating commitments inclusive of GST:

Outstanding premises lease commitments are likely to be exercised as follows:

Not later than one year	2 502	3 587
Later than one year and not later than five years	5 193	7 279
	7 695	10 866

The CMC occupies premises in Terrica Place, which is sub-leased through the Department of Public Works. This lease expired on 31 March 2008 but was extended to 31 August 2008 as the new accommodation was not completed in time. The CMC will be relocating all of its Terrica Place operations to Green Square in Fortitude Valley in August 2008. Green Square offers slightly larger floor plates that will permit a better co-location of related CMC functions.

Outstanding vehicle lease commitments are likely to be exercised as follows:

Not later than one year	254	253
Later than one year and not later than five years	199	285
	453	538

Other outstanding operating commitments are likely to be exercised as follows:

Not later than one year	609	104
	609	104

Notes to and forming part of the financial statement for the year ended 30 June 2008

Note 13: Contingent liabilities

Litigation in progress

As at 30 June 2008, there were two unfinalised cases where damages were sought against the Commission. Any amount payable under either case is not likely to be material.

Note 14: Money held in trust

The Crime and Misconduct Commission held at 30 June 2008, \$25 606.30 (2007: \$11 856) in trust for a number of people as a result of operational activities. As the Commission only performed a custodial role in respect of the balances, they are not recognised in the financial statements but are disclosed here for information purposes.

The Crime and Misconduct Commission also holds \$180 592.88 for the organisers of the Australian Public Sector Anti-Corruption Conference 2009 for which the Crime and Misconduct Commission is performing the secretariat/host role. This conference is scheduled to be held in Brisbane in July 2009.

Note 15: Post balance date event

The Crime and Misconduct Commission will be moving to Green Square in August 2008. The tenancy at Terrica Place is expected to be terminated by the end of August 2008. The treatment of the leases and leasehold improvements at each site is dealt with in the relevant notes on these topics.

Note 16: Special payments

There were no special payments greater than \$5 000 made by the Crime and Misconduct Commission during the 2007–08 year.

Certificate of the Crime and Misconduct Commission

This general purpose financial report has been prepared pursuant to Section 46F of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements. In accordance with Section 46F(3) 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 statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the Crime and Misconduct Commission's transactions for the financial year ended 30 June 2007 and of the financial position of the Commission at the end of that year.



Stephen Firth
Financial Manager



Robert Needham
Chairperson

Date: 28 August 2008

Date: 28 August 2008

Independent Auditor's Report

To the Commission of the Crime and Misconduct Commission

Matters Relating to the Electronic Presentation of the Audited Financial Report

The audit report relates to the financial report of the Crime and Misconduct Commission for the financial year ended 30 June 2008 included on the Crime and Misconduct Commission's web site. The Commission is responsible for the integrity of the Crime and Misconduct Commission's web site. We have not been engaged to report on the integrity of the Crime and Misconduct Commission's web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from the Crime and Misconduct Commission, to confirm the information included in the audited financial report presented on this web site.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

Report on the Financial Report

I have audited the accompanying financial report of the Crime and Misconduct Commission which comprises the balance sheet as at 30 June 2008 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Chairperson and Finance Manager.

The Commission's Responsibility for the Financial Report

The Commission is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997*, including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with *Auditor-General of Queensland Auditing Standards*, which incorporate the *Australian Auditing Standards*. These Auditing Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Commission as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

In accordance with s.46G of the *Financial Administration and Audit Act 1977* -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Crime and Misconduct Commission for the financial year 1 July 2007 to 30 June 2008 and of the financial position as at the end of that year.



P J DAJCZ CPA
Director of Audit
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

