



2017–18 Annual Report



Crime and Corruption Commission
QUEENSLAND

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

Our vision, purpose and values

Our vision

Safe communities
supported by fair and
ethical public institutions

with an agency focus on those
matters of highest threat
to the Queensland
community

Our purpose

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

Our values

Our values underpin everything we do at the CCC



People

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



Courage

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



Accountability

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



Excellence

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



Integrity

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

Highlights



22 people charged with
129 criminal offences relating to crime investigations



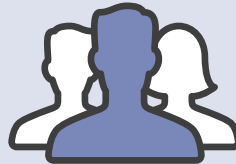
259 days of hearings relating to crime investigations



5 corruption audits completed



38 people charged with
176 criminal offences relating to corruption investigations



63 days of hearings relating to corruption investigations



31 recommendations from Operation Belcarra



Drugs worth
\$203,675 (est.) were seized



19 recommendations for disciplinary action were made from our corruption investigations relating to **7** people

5 September 2018

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

Dear Attorney

I am pleased to submit for presentation to the Parliament the Annual Report 2017–18 and financial statements for the Crime and Corruption Commission (CCC). I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be accessed at www.ccc.qld.gov.au/annualreport.

Yours sincerely



A J MacSporran QC
Chairperson
Crime and Corruption Commission

About our annual report

This report assesses our agency's performance against our 2017–21 Strategic Plan. As part of our commitment to transparent and accountable reporting, we have endeavoured to strike a balance between informing the public and protecting confidential information that could compromise a person or an ongoing investigation.

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

Additional information on consultancies, overseas travel and interpreter services (in accordance with the Queensland Language Services Policy) is available on our website www.ccc.qld.gov.au/annualreport, and is also published through the Queensland Government Open Data website, www.qld.gov.au/data. Information regarding board remuneration can be found on our website.

Acknowledgement of Country

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

Contents

5	About us
17	Reducing crime and corruption in Queensland
39	Building our organisational capability
47	Governance
63	Financial information
109	Index

Interpreter service



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

Feedback



We welcome your comments on this report. You can provide feedback through our online feedback form at www.ccc.qld.gov.au/feedback or by contacting our Corporate Communications team on **07 3360 6060**.

See back inside cover for contact details.



01 About us

- | | | | | | |
|----|--------------------------------|----|-------------------------------------|----|------------------------------|
| 6 | Who we are | 7 | Our stakeholders and partners | 8 | Message from the Chairperson |
| 10 | Message from the CEO | 11 | Our strategic objectives | 12 | 2017–18 at a glance |
| 14 | Our service delivery standards | 15 | Comparative performance information | 16 | Looking ahead |

Who we are

The origins of the Crime and Corruption Commission (CCC) date back to 1989 following the Fitzgerald Inquiry (1987–89) Report. That report recommended that the Queensland Parliament establish a body to fight organised crime and corruption to help restore confidence in our public institutions, and to be responsible for Queensland’s witness protection program. The Fitzgerald Inquiry changed the policing and political landscape in Queensland.

Since that time, the presence of an independent Commission dedicated to fighting organised crime and corruption has been a constant in Queensland public life. Although there have been a number of iterations of the CCC since 1989, the core work of the CCC has essentially remained the same.

Today’s CCC investigates major crime and corruption, has oversight of both the police and the public sector, recovers the proceeds of crime and protects witnesses. Our work includes:

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

The CCC is a statutory body, and its functions and powers are set out in the *Crime and Corruption Act 2001* (CC Act). The CC Act and other legislation give the CCC investigative powers not available to the police or any other state government agency in conducting an investigation. These include powers to conduct coercive hearings and to hold public inquiries.



334 FTE

CCC staff include lawyers, investigators, financial and intelligence analysts, social scientists and support officers



The latest findings from Transparency International’s Global Corruption Barometer series – the world’s largest survey asking citizens about their direct personal experience of corruption in their daily lives – shows that

96% of Queenslanders believe it’s important to have an independent anti-corruption agency.



\$57M

annual budget

Figure 1. Revenue

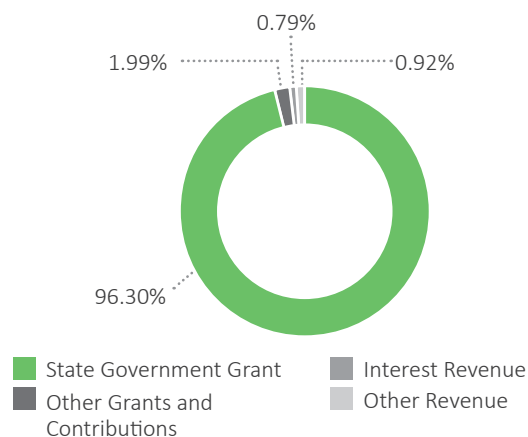
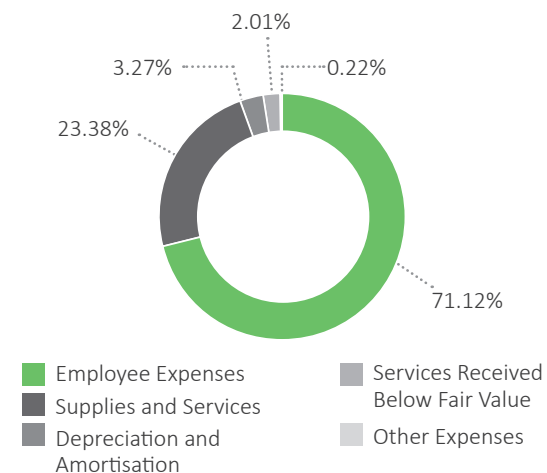


Figure 2. Expenditure

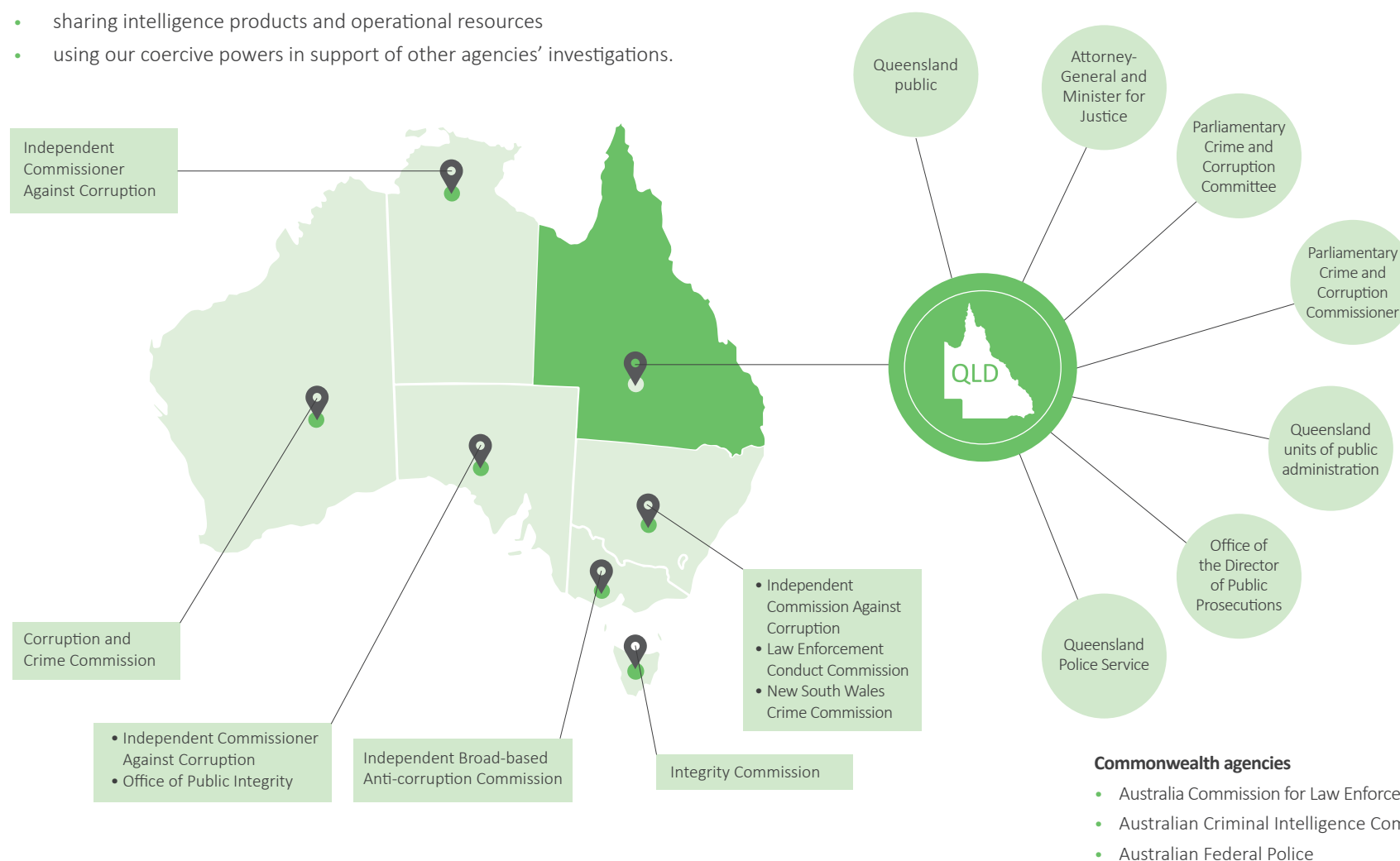


Our stakeholders and partners

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

Partnership arrangements can include:

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



01
About
us

02
Crime and
corruption

03
Organisational
capability

04
Governance

05
Financial
information

Message from the Chairperson



I am pleased to present the annual report of the CCC. As I have said on many occasions, it's vital that we are accountable for our performance, especially given our unique role in promoting integrity across the Queensland public service. Our annual report is one of the many ways in which we promote the transparency of our work. This report shows our progress against the objectives outlined in the CCC Strategic Plan 2017–21 and includes outcomes against our specific areas of focus for 2017–18 (refer to pages 11 to 15).

Exposing corruption through public hearings

As I reflect on the CCC's activities over the past year, I am pleased that we have continued to expand our public hearings program. This program has helped us expose a number of significant and systemic corruption risks in the local government sector and Queensland's correctional facilities. Our live-streaming of these hearings has also given stakeholders direct access to timely information on matters of public interest.

Our public hearings as part of Operation Belcarra prompted swift action to strengthen equity, integrity and accountability in the local government sector. The CCC's public report on Operation Belcarra included 31 recommendations for reform and led to the Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Bill 2018 being passed in Parliament on 17 May 2018. Significantly, this work brought to light further allegations against senior members of local councils including the Ipswich City Council and Logan City Council. Several people, including three former mayors, have subsequently been charged with offences ranging from official corruption to fraud and perjury. These matters are now before the courts and we will report on further outcomes in next year's annual report.

In March 2018, we commenced Taskforce Flaxton to examine corruption and corruption risk in Queensland correctional facilities. The work of this taskforce continues and the CCC will issue a public report on the outcomes of Taskforce Flaxton later this year.

Working collaboratively to build integrity in Queensland

Corruption prevention is a flagship activity for us and one of our most important functions. This year we've partnered with Griffith University and Transparency International (TI), the global coalition against corruption, to access Queenslanders' views on corruption. Recent data from TI's Global Corruption Barometer shows that the Queensland public believes that corruption in government is a problem. One of our roles is to alert the public sector to the areas of highest corruption risk and to highlight prevention strategies that directly address these risks.

In 2017–18, we released a new CCC corruption prevention strategy along with a number of prevention advisories and publications targeting police and public sector employees. We also continued our work alongside other public sector senior executives to ensure a shared and ongoing commitment to integrity and corruption prevention in Queensland. I've been fortunate enough to travel with the CEO and other government representatives over this past year to regional Indigenous communities. These visits provided an opportunity to build relationships with people in regional areas and to learn about the unique policing and corruption challenges facing regional Queensland communities.

Reforming the police discipline system

Reform of the police discipline system remains a focus of the CCC. Working together with the QPS, we are intent on delivering a more efficient and consistent approach to managing police discipline matters. It's a significant achievement that, in 2017–18, the CCC, the Queensland Police Service (QPS), both QPS unions, the Police Minister and Shadow Police Minister have endorsed and agreed to implement a new framework and Memorandum of Understanding (MOU) to progress reforms in Queensland. While we await changes to legislation, from 1 July 2018 the QPS will implement immediate policy reforms aimed at improving how complaints against police are managed. I continue to meet with representatives from the QPS about the reforms and I am encouraged by the continued progress on this significant body of work.

Using our hearings powers to advance referred crime investigations

We continue to see results from our coercive hearings which, in many cases, support crime investigations referred by the QPS. Hearings that compel witnesses to give evidence play a significant role in advancing difficult and protracted investigations. This year, as a result of CCC coercive hearings held in 2016, Rick Thorburn was sentenced to life imprisonment for the murder of Tiahleigh Palmer. Evidence obtained by the CCC was also instrumental in securing convictions against other members of Tiahleigh's foster family.

This year we've also used coercive hearings to identify and examine organised crime networks, including the involvement of outlaw motorcycle gangs (OMCGs) in organised crime. Our hearings have predominantly focused on illegal drug activity, violence and money laundering by, or on behalf of, criminal organisations. These hearings have helped secure convictions against members of criminal syndicates for drug-trafficking, professional facilitators of organised crime and online child sex offenders.

Responding to the challenges ahead

The CCC operates in dynamic and changing environments and we anticipate that the types of crime and corruption we target will continue to become more sophisticated, more jurisdictionally complex and more technologically enabled. In the year ahead we'll target criminal organisations active in illicit markets while responding to broader organised crime threats. We'll also continue to use our coercive hearing powers to advance unresolved major crime, and use our public hearings program and corruption investigations to expose serious and systemic corruption threats.

Behind the scenes, it's ultimately the dedication of CCC staff that brings our strategic vision—safe communities and fair and ethical public institutions—to life. I take this opportunity to thank all staff for their efforts over the past 12 months. I would also like to recognise our Chief Executive Officer, Mr Forbes Smith, who retired in July 2018. I would personally like to thank Forbes for his commitment to embedding positive culture change across the entire agency. I'm pleased to announce that Ms Jen O'Farrell was appointed as Chief Executive Officer following a competitive selection process. I congratulate Jen on her appointment and I look forward to working with her and my fellow Commissioners to deliver outcomes against our strategic objectives in 2018–19.

Alan MacSporran QC
Chairperson

Message from the CEO



It has been my privilege to act in the role of CEO for the majority of 2017–18 and be appointed substantively to continue in the role as of 24 August 2018. As this report shows, the CCC has taken some very important steps in establishing strong foundations to address the challenges of the future.

The CCC has a number of major projects either underway or about to commence to transform the way we work and the systems that underpin this. The critical work that we perform for Queensland can only be achieved when supported by high-quality business services. As with any organisation, we must implement change if we are to meet existing challenges and grow and adapt to meet the new ones that will arise.

Improving our capability

In 2017–18, key initiatives have included strengthening our 1CCC culture, developing the leadership capability of our senior staff, investing in and promoting our wellbeing program for staff, and identifying and investing in critical equipment and information systems to better enable our investigative teams to produce outcomes.

This year a critical component of our business improvement work has been the development of a new Operating Model

and Operational Framework. The model and framework guide the development of contemporary work practices and processes and the acquisition of our future systems, including most significantly our new integrated case management system which will see the replacement of multiple disparate systems by June 2019.

Investing in digital technology

The data haystacks that the CCC collects, stores and manages, are growing exponentially. Although technology presents tremendous opportunities, the challenge still remains to build infrastructures and systems to find the key data in the haystack. The focus this year on improving our data analytics capability will continue in 2018–19 with the injection of additional funding of \$16.3 million over the next four years and \$3.9 million per year thereafter. This investment in digital technology and infrastructure resources to capture, store and analyse data will enable the CCC to make improved use of data and information to combat crime and reduce public sector corruption.

Increasing our investigative resources

Investigating corruption in the public sector has become increasingly complex, often resulting in protracted and resource-intensive investigations. We aim to complete at least 85% of these investigations within 12 months however we have not been able to achieve this standard in the last period. However, with the injection of an additional \$7.4 million over the next four years with \$1.9 million per year thereafter we will engage an additional 13 frontline staff, who will primarily focus on corruption investigations and we expect to achieve our stated performance standard for timely completion of investigations.

Our staff

We face many challenges from the increasing workload and complexity of the work we undertake, and yet it is through the dedication and ability of our staff, our key asset, that we individually and collectively manage to deliver the outcomes we have. It is that commitment to work hard to achieve results that is at the core of our culture. The energy and ideas of our staff drive our success, which is why we place considerable emphasis on developing a positive workplace culture, improving our systems and processes, and providing learning and development opportunities.

I thank Ms Dianne McFarlane, Senior Executive Officer (Corruption) who finished with the CCC in 2017, for her valuable contribution to the agency over the past 16 years. We welcome Sharon Loder as Senior Executive Officer (Crime) and Paul Alsbury as Senior Executive Officer (Corruption) who both commenced during the last 12 months.

Finally, I acknowledge the tireless work and commitment of our staff over the past year. Although the CCC is a relatively small organisation, our staff maintain a prolific and high-quality output in pursuit of our objectives. I am thankful for their personal commitment and dedication to the work of maintaining the integrity of our public sector and helping to keep Queenslanders safe.

Jen O'Farrell

Chief Executive Officer

Our strategic objectives

The CCC's Strategic Plan 2017–21 provides a blueprint for how we will deliver outcomes for the people of Queensland. It also provides the foundation for this annual report as we track our progress against our two strategic objectives, and areas of focus for 2017–18.



A compliance checklist outlining specific disclosure requirements for the CCC's annual report is available on our website.

Objective: Reduce the incidence of major crime and corruption

Our strategies:

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

Objective: Build our organisational capability

Our strategies:

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

Areas of focus 2017–18

Methamphetamine

Target criminal networks active in the illicit methamphetamine market

Investigations into corruption

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

Stakeholder engagement

Strengthen our stakeholder engagement through delivery of prevention initiatives

Outlaw motorcycle gangs

Use crime hearings to monitor outlaw motorcycle gangs and gain a broader understanding of organised crime

Police discipline

Collaborate to implement the reform of the police complaints and discipline system

Improve organisation performance

Improve organisational performance by developing our workforce and systems

Facilitators of major crime

Target industry professionals who facilitate major crime

2017–18 at a glance

How we measure our success against our strategic plan objectives

Objective: Reduce the incidence of major crime and corruption



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

- Live-streamed 13 days of public hearings for Taskforce Flaxton
- Recommended 31 actions for local government reform in the Operation Belcarra public report
- Visited 6 regional Indigenous communities to build relationships with Queenslanders in regional areas
- Reviewed 10 public submissions as part of the review of the *Terrorism (Preventative Detention) Act 2005*
- Published 5 corruption *Prevention in focus* case studies
- Published 3 corruption prevention advisories
- Launched CCC Facebook page in October 2017
- 183,393 visitors to our website
- 62% of the Queensland public surveyed said the CCC is doing “very well” or “fairly well” at fighting corruption (Transparency International (2018), Global Corruption Barometer)



Quality, consistent and timely investigations

- Finalised 85 crime investigations
- Charged 15 people with 105 offences as a result of our organised crime investigations, including methamphetamine and professional facilitators
- Charged 7 people with 24 offences as a result of criminal paedophilia investigations
- 373 witnesses attended our crime, intelligence and corruption hearings
- \$9.712M proceeds of crime restrained
- \$9.454M proceeds of crime forfeited to state
- Assessed 3602 complaints of suspected corruption
- Finalised 56 corruption investigations
- Charged 3 people with 21 offences relating to misuse of confidential information
- Charged 8 people with 78 offences relating to fraud
- 5 prevention recommendations made for excessive use of force
- 66% of the Queensland public surveyed said the CCC is doing “very well” or “fairly well” at investigating allegations of corruption (Transparency International (2018), Global Corruption Barometer)

Objective: Build our organisational capability



Improved staff capability and engagement

- Invested \$341,000 in developing staff capability
- Launched our Leadership Development Program
- Rolled out the second Great Managers program
- Continued to support community events including the 2018 Queensland Legal Walk and NAIDOC Week celebrations
- Launched a mentoring program for our lawyers and investigators
- Provided 21 staff with assistance for tertiary education
- Held a number of staff forums and workshops as part of our Wellbeing Program
- Recognised staff performance at the annual corporate awards ceremony



Effective governance of our projects and programs

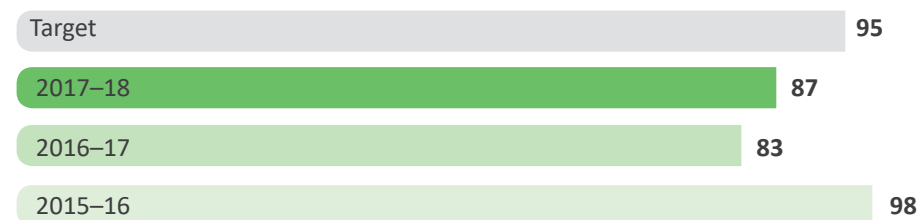
- Secured additional funding of \$16.3M over four years and \$3.9M in ongoing recurrent funding for a secure and contemporary cloud-based data platform
- Implemented a new 1CCC operating model and framework
- Trained 40 managers in Agile project management
- Implemented a new payroll service delivery model
- Implemented a more efficient printing and photocopying service
- Upgraded our physical security framework
- Completed phase 2 of our project to deliver a new case management system by 30 June 2019
- Implemented a new Fraud and Corruption Control Plan
- Completed a maturity assessment of our governance framework

Our service delivery standards

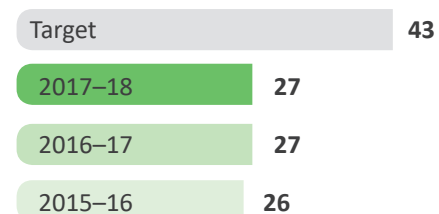
The following information is used by the CCC and the government to assess the overall performance of our service delivery as published in the State Budget Service Delivery Statements (2017–18).

Service: Crime fighting and prevention

Percentage of targeted criminal entities which are disrupted as a result of CCC crime investigations¹

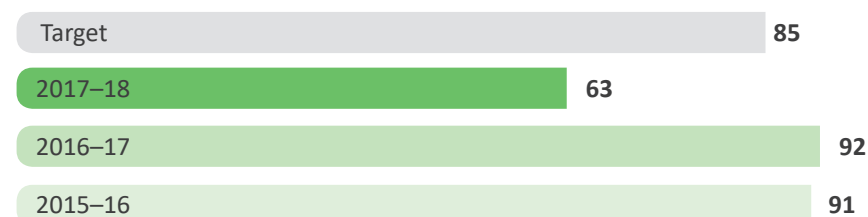


Confiscation costs as a percentage of forfeitures²



Service: Public sector integrity

Percentage of investigated matters finalised within 12 months³



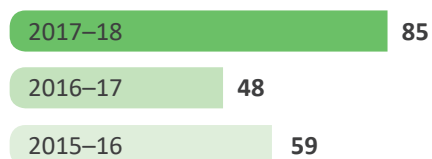
Notes:

1. The 2017–18 target/estimate was not met due to two paedophilia operations that did not result in criminal charges.
2. The positive result for 2017–18 is due to high-value forfeitures and a high number of forfeitures reaching finalisation through negotiated settlements. This measure has been discontinued given the variability of outcomes which are outside of the CCC's control.
3. The 2017–18 target was not met due to a number of open investigations carried forward into the 2017–18 financial year which have exceeded 365 days. A number of matters relate to protracted investigations into the conduct of candidates involved in the 2016 local government elections (Operation Belcarra).

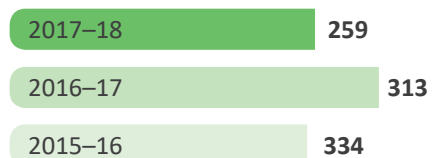
Comparative performance information

The following information includes comparative figures for key activities relating to our investigations, confiscation action and complaints management.

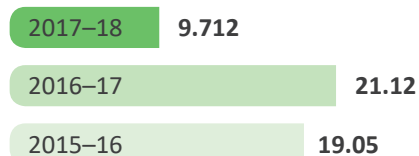
Crime investigations finalised



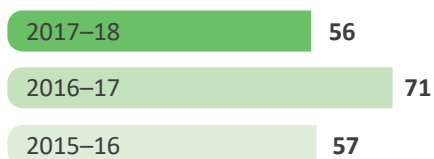
Crime hearing days



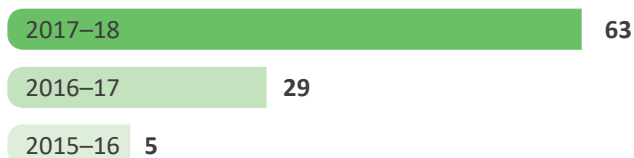
Value of assets restrained (\$ million)



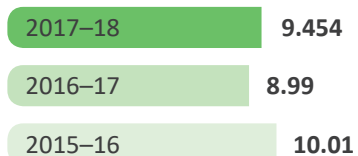
Corruption investigations finalised



Corruption hearing days



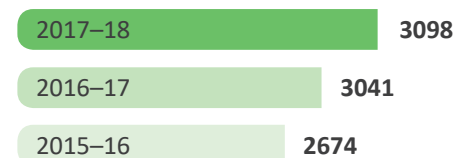
Value of assets forfeited (\$ million)



Corruption allegations received



Corruption complaints received



Looking ahead

To support the delivery of our services and further our longer term strategic objectives we intend to deliver the following activities in 2018–19:





02 Reducing crime and corruption in Queensland

18 | **Focus area:** Methamphetamine

26 | **Focus area:** Investigations into corruption

36 | Our public hearings program

22 | **Focus area:** Outlaw motorcycle gangs

31 | **Focus area:** Police discipline

38 | Response to emerging risks and issues

24 | **Focus area:** Facilitators of major crime

32 | **Focus area:** Stakeholder engagement



FOCUS AREA: Methamphetamine

Target criminal networks active in the illicit methamphetamine market

The sale and distribution of illicit drugs remains the most pervasive form of organised crime in Queensland. Though difficult to quantify, its high cost to Queensland is clear in the toll it takes on individuals, families and communities, the impost on the state health system and related services, and the increasing pressures on law enforcement.

Consistent with the CCC's threat assessment and with state and national ice strategies, the CCC continues to prioritise intelligence gathering and investigations around high-threat networks involved in distributing methamphetamine (in particular, ice) in and within Queensland (whether produced in Queensland or elsewhere).

Disrupting methamphetamine networks

The CCC holds coercive hearings in support of its own investigations and QPS investigations into the illicit methamphetamine trade in Queensland. In 2017–18, as the result of three completed investigations four people were charged with 32 offences.



Action on ice plan



The Queensland Government's *Action on ice* plan aims to address the use of and harms caused by ice by breaking the cycle of drug use by attacking every aspect of the path to addiction, with a focus on reducing supply and demand, and minimising harm.

CCC action measures include:

- Prioritise organised crime investigations into high-threat criminal networks that are trafficking ice into or within Queensland to disrupt and dismantle those networks and/or supply routes into Queensland.
- Continue to use coercive hearing powers to gain a greater understanding of the unlawful production of ice occurring in Queensland and to disrupt those activities.
- Undertake strategic intelligence and research projects on illicit markets and groups that impact on Queensland, exploring the methodologies, innovations and adaptations used by these groups to undertake these activities and avoid detection by law enforcement.
- Use the proceeds of crime function to restrain and forfeit the assets of those engaged in the trafficking and production of ice in Queensland, to disrupt these activities and prevent reinvestment in illegal activities.

4 people were charged with 32 offences related to the supply and distribution of methamphetamine



Operation Maduro



This year, working alongside the QPS we concluded Operation Maduro, an investigation of a Gold Coast-based organised crime network, whose members were aligned with outlaw motorcycle gangs (OMCGs) involved in the trafficking of methamphetamine, cocaine and MDMA. Members of the network were transporting drugs from New South Wales for further distribution in Queensland. The operation employed covert strategies and coercive hearings to identify members of the network, along with their methodology for distributing drugs. This operation concluded in September 2017 and resulted in the seizure of quantities of drugs and cash, and eight people being charged with 34 separate offences over the life of the investigation.

FOCUS AREA: Methamphetamine

Target criminal networks active in the illicit methamphetamine market

Intelligence projects and operations

Consistent with the *Action on ice* plan, and our own threat assessments, we prioritise intelligence gathering to assist investigations into criminal networks involved in the supply and distribution of methamphetamine. The CCC works collaboratively with the QPS and other law enforcement partners interstate to identify and dismantle ice supply routes into and within Queensland. In 2017–18, in support of CCC and QPS investigations the following intelligence projects and operations were undertaken:

- A project involving intelligence activities focused on a Townsville-based network alleged to be sourcing large quantities of methamphetamine from a South-East Queensland supplier. This intelligence project resulted in 60 intelligence products for dissemination to law enforcement agencies.
- A project involving intelligence activities focused on a South-East Queensland network alleged to be sourcing large quantities of methamphetamine from Sydney for distribution in Queensland. The project was in part assisted by the Commonwealth Department of Home Affairs and resulted in 26 intelligence products for dissemination to law enforcement agencies.
- A specific intelligence operation focusing on a network operating in the inner-Brisbane area alleged to be involved in the trafficking and supply of various commodities including cocaine and MDMA. Information obtained as a result of this operation is the subject of an ongoing crime operation being undertaken by the CCC.
- A project involving intelligence activities focused on a network alleged to be involved in drug importation, trafficking and money laundering in South-East Queensland. An intelligence summary of this network was disseminated to the Australian Criminal Intelligence Commission (ACIC) to inform current operational matters.
- A specific intelligence operation focusing on an individual believed to be coordinating a drug network involved in the trafficking of methamphetamine and cannabis into regional Queensland. Hearings were undertaken to support the operation and this resulted in information being disseminated to support local and interstate organised crime investigations.
- A specific intelligence operation focusing on a Queensland-based network alleged to be sourcing from interstate and distributing methamphetamine, cocaine and performance enhancing drugs in various regional areas in Queensland. This operation is ongoing.

Intelligence reports

The CCC produces intelligence reports and assessments to more generally inform law enforcement about aspects of the production, supply and availability of methamphetamines in Queensland.

Last year's annual report identified increased organised crime involvement in some regional areas of Queensland due to the potential for higher profit margins associated with supplying drugs, including methamphetamine. To further inform law enforcement about this issue, the CCC co-authored an intelligence assessment with the ACIC that examined the presence of organised crime groups in Queensland's regional drug markets. The assessment looked at specific methodologies adopted by these groups to traffic illicit drugs in order to identify law enforcement strategies to disrupt organised crime supply chains. A law enforcement version of this product was disseminated to partner agencies in September 2017, and an abridged version was provided to government in January 2018.

In January 2018, the *Drug Commodities Guide 2017–18* was completed and distributed to key stakeholders and law enforcement partners. The guide is updated annually and aims to provide information to law enforcement about new and re-emerging substances, precursor chemicals, the sale of drugs via online markets and updated estimates of prices of the illicit drugs most readily available in Queensland.

The sale and distribution of illicit drugs remains the most pervasive form of organised crime in Queensland.



Recovering the proceeds of crime

Removing the profit motive from organised crime in Queensland is a key prevention strategy used by the CCC to disrupt and dismantle ice networks. Since September 2013, 238 matters relating to ice traffickers and suppliers have been referred to the CCC for proceeds of crime action.

In 2017–18, the CCC received 43 new proceeds of crime referrals where methamphetamine was one of the drugs trafficked. This represented 32.3 per cent of new referrals for proceeds for crime.

\$2.871M

Total value of **restraints**

\$3.055M

Total value of **forfeitures**

\$17.535M

Current value of **restraints** (ongoing matters)

FOCUS AREA: Outlaw motorcycle gangs

Use crime hearings to monitor outlaw motorcycle gangs and gain a broader understanding of organised crime

Outlaw motorcycle gangs (OMCGs) have a strong presence in many aspects of organised crime, including drug and firearm trafficking, property crime, fraud and tax evasion, and often operate within or alongside legitimate business in an effort to disguise their activities. Members of OMCGs also commit serious violent offences including extortion, serious assault and murder. Since 2013 the CCC has undertaken a large number of intelligence hearings throughout Queensland to understand the OMCG landscape and examine shifts in that landscape.

In 2017–18, 15 people were arrested on 105 charges resulting from six investigations undertaken by the CCC.

Hearings

In 2017–18, we used our hearings to identify and examine organised crime networks, including OMCG presence and involvement in organised crime. Our hearings have predominantly focused on illegal drug activity, violence and money laundering by or on behalf of criminal organisations, including to support:

- A QPS investigation into alleged drug trafficking and associated money laundering on the part of a criminal network active in Cairns and Port Douglas. The investigation also focused on a former OMCG member based outside Queensland who was alleged to be supplying drugs to the criminal network.
- A QPS investigation into the drug trafficking activities of a network based in the Moreton Bay Region that was allegedly engaged in the large-scale transport of cannabis from South Australia to South-East Queensland, as well as in the local hydroponic production of cannabis in concealed underground bunkers.
- A QPS investigation into the non-fatal stabbing of a man on the Gold Coast in November 2017, alleged to have occurred against a background of illegal drug activity and money laundering by or on behalf of members of the Mongols OMCG.
- An investigation into the organised theft and trafficking in firearms in south-west Queensland.
- A CCC intelligence operation into a criminal organisation (which included members of an OMCG) believed to be engaged in the trafficking and supply of ice, cocaine and steroids in North Queensland. The association between the members of this network and members of social motorcycle clubs active in North Queensland was also explored. The operation revealed vulnerabilities of social motorcycle clubs to infiltration and recruitment efforts by OMCGs. A further investigative opportunity in relation to another Queensland criminal network was also identified as a result of these hearings.



Satudarah OMCG



In late 2016, Queensland law enforcement became aware that the Satudarah OMCG was seeking to establish chapters in Queensland, and in Brisbane in particular. An intelligence operation was commenced to investigate the alleged organised criminal activities of the Satudarah OMCG. In early 2017 hearings were held

and obtained information that revealed Satudarah to be an extremely disorganised but emerging club, with a strong criminal focus for its members. As a result of the hearings, 10 intelligence reports were disseminated to law enforcement during 2016–17 and 2017–18.

15 people were arrested on 105 charges arising from organised crime investigations.



OMCG feeder groups



Feeder groups are typically young gangs with individuals who haven't yet joined OMCGs but are generally linked with them. These feeder groups usually lack a formal hierarchy and are generally far more loosely organised than traditional OMCGs, and are involved in criminal activity such as assaults, low-level drug dealing and unarmed robbery. Their activity can lead to more

serious and organised criminal activities designed to generate income and protect gang interests. In August and September 2017, the CCC used its coercive hearings power to support a QPS investigation into the violent abduction and serious injury of a Brisbane man in June 2017 by members of an OMCG feeder street gang. Seventeen witnesses were examined by the CCC, and identified that the motive for the abduction was related to a failed attempt at methamphetamine production on behalf of the street gang who are alleged to have had the financial support of the OMCG. To date, three offenders have been charged with abduction, including a confirmed member of the OMCG and two club associates. These hearings also revealed that OMCG members were using an unofficial clubhouse for the purposes of association. Intelligence reports were disseminated to the QPS concerning these issues.

FOCUS AREA: Facilitators of major crime

Target industry professionals who facilitate major crime

Organised crime groups, including OMCs, often use or seek out industry professionals and service providers to help or “facilitate” their criminal activities. As well as providing expertise and knowledge, professional facilitators working in legitimate enterprises can help criminals distance themselves from the activities they’re engaged in.

The type of work undertaken by facilitators varies and examples include:

- helping criminals avoid detection when laundering money by adding legitimacy to financial transactions
- exploiting legal loopholes to support or disguise criminal activity
- transporting and storing illicit goods
- contacting and communicating with intended victims of fraud
- providing access to communication facilities such as phone, fax or email so criminal groups can communicate with each other using the facilitator’s business as a “shield”.

Investigating allegations against legal practitioners

This year, the CCC has investigated alleged criminal activity by a number of legal practitioners in Queensland. These investigations involved allegations of fraud, money laundering and related criminal activity, and have been supported by our hearings powers. In 2017–18, the CCC with the assistance of the QPS undertook two investigations into allegations concerning professional facilitators. To date, these investigations have resulted in five people being arrested on 13 criminal charges. One of the investigations remains ongoing.

The CCC also conducted hearings to support a QPS organised crime investigation involving legal practitioners alleged to be supporting a network trafficking methamphetamine and cannabis in Queensland. The hearings revealed evidence of involvement by the lawyers in fraud and money laundering as well as involvement in the alleged trafficking activity.

Sharing intelligence with law enforcement

The CCC undertook an intelligence assessment examining the use of professional facilitators by Queensland organised crime groups. The assessment examined:

- types of professions being used by organised crime groups
- specific activities professional facilitators are engaged in
- methods used by crime groups to recruit and compensate facilitators
- implications for law enforcement.

The assessment resulted in the production of an intelligence report for dissemination to law enforcement with a view to informing current and future investigations into facilitators and organised crime.

Research

The CCC conducted research examining factors that make legal practitioners vulnerable to criminal offending and being targeted by organised crime groups. This research resulted in an internal report used to inform coercive hearings.

5 people have been arrested
on 13 criminal charges



Operation Octanda



Operation Octanda was a joint CCC and QPS investigation that commenced in September 2016 into suspected criminal activity within elements of the legal profession in Queensland. It concerned alleged cash payments made by clients to lawyers who were then alleged to have misappropriated the payments without depositing the money into a trust account, in accordance with legislative requirements.

The investigation revealed an alleged motive by certain members of a law firm to conceal from a number of entities (their trustees in bankruptcy, AUSTRAC, CCC, the ATO, and the firm itself) cash payments made by certain clients. The CCC's coercive hearings power was used in the investigation to obtain evidence of the alleged cash payments and financial analysis was undertaken to support that evidence.

The investigation was finalised in November 2017. In 2017–18, four people were charged with 12 offences (11 fraud offences and one perjury offence), bringing the total to five people charged with 21 offences since the commencement of the operation. In July 2017 one man was convicted and sentenced to a total of 5.5 years imprisonment for his role in the alleged criminal activity. Proceedings in relation to the other men charged are ongoing.

FOCUS AREA: Investigations into corruption

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

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

In 2017–18, the CCC has focused on three high-risk corruption areas:

- **Excessive use of force**
- **Misuse of confidential information, and**
- **Fraud.**

Excessive use of force

Excessive use of force by a public sector employee against a member of the public constitutes a serious abuse of power. Allegations of this type are most commonly received about police officers and other officers working in corrections and youth detention. The CCC continues to investigate and closely monitor allegations of excessive use of force within the Queensland public sector. Since 2016, the CCC has focused on excessive use of force by police.

In 2017–18 the CCC expanded its focus to include the broader public sector. Law enforcement officers such as police and staff working in correctional facilities have a unique and challenging role protecting the community, and they are expected to model the highest ethical and professional standards. When the safety of prisoners or the general public is compromised, law enforcement officers are required to take reasonable steps to de-escalate the incident and to protect bystanders and themselves from potential harm. However, when excessive use of force is used, this may constitute a serious abuse

of power. Such abuses have the potential to erode public confidence in the work of law enforcement.

In 2017–18, the CCC received 999 use of force allegations accounting for 11 per cent of all allegations received by the CCC. In terms of police conduct, assault or excessive use of force continues to be one of the most common allegations made to the CCC. In 2017–18, a total of 648 allegations relating to excessive use of force by police officers were received by the CCC. Use of force complaints account for 13 per cent of allegations received against the QPS and nine per cent of allegations against the broader public sector, including complaints against correctional officers and protective security officers employed by Queensland Health.

Investigations

In 2017–18, the CCC finalised three investigations and reviewed a further 58 matters where it was alleged that excessive force was used. Two of the three investigations related to correctional officers, one resulted in a recommendation to Queensland Corrective Services (QCS) for consideration of disciplinary action and the other was referred back to the department to investigate with close monitoring by the CCC.

As at 30 June 2018, the CCC has 14 ongoing investigations that allege excessive use of force. The majority of these matters involve complaints by prisoners against QCS officers. Taskforce Flaxton (see page 37) was launched in March 2018 to examine corruption in the QCS, including misuse of force.

Police use of force in Queensland watch-houses



Excessive use of force in watch-houses is typically hidden from the public eye and may constitute a serious abuse of power. In December 2017, the CCC released a public report entitled *Police use of force in Queensland watch-houses*. It examined use of force by QPS officers in five watch-houses, and detailed six recommendations and the response to those recommendations by the QPS.

No systemic issues of excessive use of force were identified, however the report found a considerable proportion of uses of force involved compliant detainees and highlighted the importance of ensuring

adequate CCTV monitoring of watch-house areas and of improving the clarity of some policies and procedures. The report also recommended the QPS assess and report on the extent to which the minimum use of force policy is adhered to in each watch-house.

The QPS supported the recommendations and is progressively upgrading to automatic audio recording for CCTV. The QPS has also redrafted the wording of its use of force policy to make it clearer.

Due to the significant number of complaints and allegations received by the CCC for excessive use of force, it will remain an area of focus in 2018–19.

Complaints made to the CCC

Complaints and allegations are the principal starting point for most CCC investigations and they can also be a significant indicator of emerging corruption risks and issues across the public sector. A complaint can often consist of multiple allegations. Complaints can be referred back to an agency when, for example, the agency has capacity to investigate the complaint or another agency such as the QPS is actively investigating criminal offences. Complaints may also be referred to agencies that have jurisdiction to deal with the matter under their own statutory framework.

In 2017–18, the CCC received 3098 complaints of suspected corruption involving 8862 allegations, and assessed a total of 3602 complaints, representing an increase of 27% in assessed complaints compared to 2016–17. (See also page 38, “Complaints on the increase”.)

Table 1. Use of force – complaints, allegations and investigations

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

Notes:

1. 2017–18 figures are for all public sector agencies (including QPS).
2. QPS figures only.

Table 2. Summary of outcomes – use of force investigations and reviews

Description	Number
Investigations commenced	14
Investigations finalised	3
Reviews commenced	116
Reviews finalised	58
People charged	0
Criminal charges laid	0
Referred back to, or continue to be dealt with by, another agency as a disciplinary matter or criminal prosecution	1
Prevention recommendations	5

FOCUS AREA: Investigations into corruption

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

Misuse of confidential information

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

Misuse of confidential information occurs when a public sector employee accesses information held by the agency not to perform their duties but for private use or benefit, either for themselves or another person. The misuse of confidential information continues to be a significant corruption issue facing the Queensland public sector, and in 2017–18 a total of 762 allegations relating to the misuse of confidential information were received by the CCC, representing nine per cent of all corrupt conduct allegations received, with 354 (46 per cent) of those allegations related to QPS officers.

Due to community concern and the risk that misuse of confidential data presents, this area will remain a focus of the CCC in 2018–19.

Investigations

In 2017–18, the CCC finalised 13 investigations and 67 reviews involving allegations of misuse of confidential information, which resulted in three people being charged with 21 criminal offences. The CCC also made 12 prevention recommendations to improve agency procedures for document management and maintaining audit trails.

Examples of allegations investigated by the CCC during 2017–18 include:

- a preferred supplier list was improperly accessed so a public sector employee could provide advantage to a privately owned business
- information gained from a position on council was provided to the media with the purpose of discrediting the council
- a private email account was used to conduct confidential and sensitive work-related business
- information was released to a spouse to benefit the spouse's employment as a real estate agent.



Police officer prosecuted for computer hacking



In September 2017, a QPS officer was found guilty of 23 charges relating to computer hacking and other offences. The officer used a restricted-access computer without consent to gain access to information on other police officers, members of his family, and the former partner of his wife and that person's associates. The records accessed included intelligence reports, criminal and traffic histories, domestic and family violence applications and protection orders, and details of police cautions and flags. There was no evidence that the information was passed on to anyone else.

The Magistrate fined the officer \$4,000, noting that the accessed database was a powerful information tool that needed to be safeguarded in order to protect the information of police officers and members of the public. The Magistrate warned that accessing information contrary to QPS protocols can be the basis for criminal proceedings, not just disciplinary proceedings. Even when information is not used or passed on to a third party, merely accessing the information can constitute a criminal offence.

13 investigations and 67 reviews involving allegations of misuse of confidential information

Table 3. Improper use of information – complaints, allegations and investigations

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

Table 4. Summary of outcomes – improper release of confidential information

Description	Number
Investigations commenced	15
Investigations finalised	13
Reviews commenced	109
Reviews finalised	67
People charged	3
Criminal charges laid	21
Referred back to, or continue to be dealt with, by another agency as a disciplinary matter or criminal prosecution	3
Prevention recommendations	12

FOCUS AREA: Investigations into corruption

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

Fraud

Serious fraud in the Queensland public sector and within local government is of significant concern to the CCC. The risk of fraud across all spheres of government is as high as ever. The speed with which transactions occur through electronic media and the complexity associated with locating funds once they have been stolen can result in those funds being unrecoverable. Often, the reputational damage sustained by an organisation as a result of fraud or corrupt acts can far outweigh the financial value of those losses and can last for many years afterwards. The Queensland community expects public funds to be managed responsibly, and that the agencies responsible for those funds have appropriate safeguards in place to prevent, detect and respond to instances of fraud.

The CCC investigates allegations of serious fraud, reviews other agency investigations, conducts audits and develops prevention and guidance material for units of public administration (UPAs). In 2017–18 a total of 613 allegations relating to fraud were received by the CCC.

Investigations

In 2017–18, the CCC finalised seven investigations involving allegations of fraudulent behaviour which resulted in eight people being charged with 78 criminal offences.

Examples of allegations investigated by the CCC during 2017–18 include:

- Two former Mayors of Ipswich City Council were charged with fraud-related activity including the

dishonest use of money and materials belonging to the council. These matters remain before the courts.

- Investigations into allegations that two senior public servants fraudulently claimed remunerations whilst they were absent from the workplace without a reasonable excuse resulted in one officer resigning and the other matter being referred to the relevant department to deal with.

Prevention

In March 2018, the CCC published on its website a revised and updated *Fraud and Corruption Control: Best Practice Guide*. The publication is a practical guide to help public sector employees prevent, detect and respond effectively to fraud and corruption incidents in their agencies. The guide outlines the legislative framework for developing a fraud and corruption control program and includes supporting resources including better practice tips and recommended additional readings.

Table 5. Summary of outcomes – fraud investigations and reviews

Description	Number
Investigations commenced	10
Investigations finalised	7
Reviews commenced	22
Reviews finalised	15
People charged	8
Criminal charges laid	78
Referred back to, or continue to be dealt with by, another agency as a disciplinary matter or criminal prosecution	0
Prevention recommendations	8

FOCUS AREA: Police discipline

Collaborate to implement the reform of the police complaints and discipline system

A fair and robust performance management and discipline system is essential for ensuring the ongoing integrity of the Queensland Police Service, and for ensuring public confidence in the work of police. Given the critical and important role the QPS plays in the Queensland community, reforming the police discipline system to ensure that community confidence in their role remains high has been a focus of the CCC for the past few years.

In 2017–18, a significant move forward was achieved through the signing of a Memorandum of Understanding (MOU) (see textbox this page) to reform the police discipline system in Queensland. The MOU, along with other reforms pursued over the last few years, strengthens the police disciplinary system by having a system that is timely, consistent and fair but remains subject to oversight by the CCC.

Joint Assessment and Moderation Committee

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

The JAMC evaluates how each complaint is initially assessed and then agrees to a plan of action. This process gives both the CCC and the QPS an assurance that complaints are being appropriately assessed and clearly establishes the responsibilities of each agency. The JAMC assesses

allegations against QPS employees in order to identify the appropriate process for dealing with each matter. The JAMC draws on CCC allegations data and research to evaluate levels of risk. The analysis of allegations data assists the JAMC to assess whether an officer's complaints history is significant compared to that of their peers. The CCC continues to conduct research to better understand the importance of an officer's allegations history in assessing matters at the JAMC. In 2017–18, the JAMC assessed 142 complaint matters.

Investigations

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

The ICP does not meet on every matter, only meeting when there is a stakeholder necessity or public interest in gaining a joint commitment to processes that will meet stakeholder expectations. During 2017–18, nine meetings were held in relation to 22 matters. This resulted in the early resolution of matters under review and, in one case, a change to policy on the timing of activation of body-worn cameras by police.

Memorandum of Understanding

On 11 October 2017, a Memorandum of Understanding was signed by representatives of the CCC, the Queensland Government, the State Opposition, the QPS and QPS unions to progress the reform of the police discipline system in Queensland. A press conference was held on 16 October 2017 to outline the key reforms to the police discipline system and to acknowledge the support from all stakeholders in developing the new system.

All stakeholders have agreed to implement the new framework which will deliver a more efficient and consistent approach to managing police discipline matters, including working towards proposed legislative changes to the police discipline system. While we await further changes to legislation, from 1 July 2018 the QPS have implemented immediate policy reforms aimed at improving how complaints against police are managed. As part of the implementation process the ESC and CCC have agreed to pilot the proposed Abridged Discipline Process (ADP). Under the ADP process the ESC will first consult with the CCC about the proposed disciplinary sanction or management action proposed to be offered to a subject officer. It is anticipated that this will significantly reduce the need for the review of outcomes by the CCC, and will ensure uniformity of sanctions offered under an ADP.

State-wide information sessions were held to ensure that all police staff were informed of these changes prior to them taking effect. The CCC supports this process, with the Chairperson of the CCC providing a statement in support of these reforms, which has assisted the QPS with its internal marketing of the 'ethos' behind the changes to the discipline system. The key features of the new framework include improved timeliness and consistency for disciplinary matters for QPS officers and complainants and a remedial focus for disciplinary matters, with an emphasis on identifying and correcting inappropriate conduct early. The system will also aim to ensure disciplinary investigations will be shorter and more targeted.

FOCUS AREA: Stakeholder engagement

Strengthen our stakeholder engagement through delivery of prevention initiatives

Prevention is a key tool in reducing major crime and corruption, and a fundamental focus of the CCC. A considered approach to prevention ensures that we respond to emerging issues while proactively encouraging the highest commitment to ethical behaviour across the Queensland public sector at all times. We recognise that prevention is everybody's responsibility and undertake a range of prevention activities to engage with stakeholders including police officers, public sector agencies and the wider community.

The CCC takes a collaborative approach when engaging with stakeholders about corruption prevention, ensuring we get the right message to the right people at the right time. In addition to undertaking public sector agency audits in areas of high risk and producing advisory material to highlight areas of concern, the CCC undertakes a wide range of research and prevention initiatives to assist public sector agencies to develop policies and strategies to address corruption risks.

For major crime prevention we collaborate with partner organisations to alert them to the latest information and intelligence to stay ahead of major crime risks. We routinely share intelligence with law enforcement agencies and conduct research to examine the nature and implications of criminal networks and their relationship to major crime. The CCC raises awareness about major crime by sharing examples of the outcomes of our work in major crime, and prevents crime through the confiscation

of the proceeds of crime, deterring criminals by removing the profit motive of their crimes. See pages 18–25 for examples of our work in major crime prevention.

CCC Corruption Audits

As part of our function to help build the integrity of, and reduce the risk of corruption in, the public sector, the CCC conducts audits designed to assess:

- whether an agency has appropriate systems, policies and procedures for dealing with complaints or information about corruption
- whether an agency has met legal requirements and other relevant standards in dealing with such complaints
- how efficiently and effectively an agency or a group of agencies has responded to classes of complaints or corruption risks.

Corruption Audit Plan 2017–19

In identifying potential audit topics, the CCC conducts environmental and risk scanning and consults with internal and external stakeholders to gain perspectives on current and potential corruption risks. The Corruption Audit Plan 2017–19 sets out the proposed program of audits and is available on the CCC website.

The CCC conducts audits to determine how well public sector agencies have responded to particular types of complaints and how robust their complaints management frameworks are to prevent future cases of corruption. The

CCC also includes specific audits aimed at controlling the risks of corruption within the public sector. In 2017–18, the CCC conducted five audits, including completing two audits from the previous audit plan, and the remaining three audits are under way.

Completed audits

In 2017–18, the CCC conducted the following audits:

- **Corruption risk management** – The CCC audited corruption risk assessment processes across six departments and statutory bodies, and identified that these agencies have the mechanisms in place to identify, analyse and evaluate potential corruption risks. However, it was noted that corruption risk assessments within agencies could be further enhanced. A report was released in 2018 and the CCC recommended 12 areas for improvement.
- **Police corruption assessment** – The CCC examined how effectively the QPS has assessed complaints of corrupt conduct or police misconduct classified as being suitable for “No Further Action” (NFA), to ensure the *Crime and Corruption Act 2001* is being applied accurately and the NFA process followed correctly. A total of 115 complaints that the QPS assessed as NFA were reviewed, along with the policies, procedures and work instructions relating to the assessment processes. A report of the audit will be released in 2018–19.
- **Secondary employment in the communities, energy, water and resources sectors** – The CCC audited the

comprehensiveness of secondary employment policies and requirements of Queensland public sector agencies, and whether management processes were sufficient when addressing existing issues around secondary employment. The CCC reviewed policies, procedures, processes, and 31 complaint files from the 11 participating agencies. A report of the audit will be released in 2018–19.

- Chemical management in departments, universities and Workplace Health and Safety Queensland – The CCC audited the handling and storage of hazardous chemicals in agency premises (including laboratories) and how Workplace Health and Safety Queensland employed a risk-based approach to audit scheduling for these chemicals. The CCC reviewed agencies’ policies and procedures, visited eight sites to inspect the storage and handling of high-risk chemicals, and collected documents to assess the chemical security controls in place. This audit has been completed and a report will be released in 2018–19.
- Conflicts of interest in local government – see case study (right).



Audit of conflicts of interest in local government



In 2017, the CCC assessed the effectiveness of councils’ mechanisms for identifying corruption risks; the process for managing, preventing and detecting conflicts of interest; and their dealing with complaints related to conflicts of interest involving council employees.

The CCC reviewed the policies, procedures, training programs and processes in place for managing conflicts of interest across 13 councils in Queensland. In addition, we reviewed 43 complaint files dealt with by these councils. A total of 14 recommendations were made from the audit and, in consultation with the CCC, councils are in the process of implementing these recommendations.

The audit identified that 10 of the 13 councils required further work to design and implement a conflict of interest framework to ensure that actual, perceived or potential conflicts of interest are managed in a transparent and accountable manner. This work required immediate action by senior executives within these councils.

We further recommended that the same 10 councils periodically audit their conflict of interest process, once the framework has been in place for at least 12 months, to ensure it remains effective. The CCC was pleased to identify that the remaining three councils had already independently audited their conflict of interest processes relating to employees, strengthening their overall conflicts of interest control framework.

The audit identified seven areas for improvement in how councils deal with complaints involving conflicts of interest. This includes a need for councils to put into place a specific procedure for corrupt conduct complaints and to ensure complaints are dealt with in a way that achieves optimal outcomes. As well as recommending better case management and filing of documentation, the audit identified that councils need to conduct better inquiries and improve investigative practices, investigate impartially, ensure disciplinary outcomes are appropriate to the seriousness of the allegation, and finalise matters in a timely way. Overall, the complaints were dealt with satisfactorily. A report was published in October 2017 and is available on the CCC’s website.

FOCUS AREA: Stakeholder engagement

Strengthen our stakeholder engagement through delivery of prevention initiatives

Stakeholder engagement

Collaboration with Queensland Directors-General to prevent corruption

On 8 December 2017, the Chairperson and senior executives from the CCC met with Directors-General and Deputy Directors-General from across the Queensland public sector to discuss integrity and corruption prevention. In acknowledging International Anti-Corruption Day (9 December 2017), all parties recognised that corruption prevention was the joint responsibility of public sector agencies and the CCC, and that senior executives are critical in setting the ethical culture of an organisation.

Key outcomes from the meeting were that the group would meet regularly to discuss strategy and provide education for corruption prevention, including developing expertise and capability within agencies by developing training material and programs that explicitly focus on corruption and providing officers from agency ethical standards units with practical, on-the-job training at the CCC in work areas undertaking corruption prevention, assessment and investigation,

identifying legislative barriers to information sharing for the purposes of the CCC corruption prevention to reduce barriers and maximise impact.

The meeting, and future ones like it, will ensure that senior executives and agencies are aware of their responsibilities with respect to corruption, and that there is strong collaboration between the CCC and the Queensland public sector to prevent, detect and respond to corruption.

Privacy Awareness Week

In 2018 the CCC was a partner agency for Privacy Awareness Week (PAW) (14–20 May), which is led by the Queensland Office of the Information Commissioner. This year's theme was *"Value personal data – it's worth protecting"*, and a key message from the CCC was to public servants, warning those who improperly access work databases that they may face disciplinary action, including possible dismissal.

Public sector agencies hold large amounts of private information about individuals — from their contact details to personal health information and information relating to contact with the police and the criminal justice system.

Public agencies are obliged under the *Information Privacy Act 2009* to ensure that personal information is protected against unauthorised access, use, modification or disclosure. Pursuing corruption in the public sector relating to the improper access and release of confidential information is a continuing area of focus for the CCC. (See pages 28–29 for the CCC's work related to misuse of confidential information in 2017–18.)

Queensland public agencies must ensure that they have frameworks in place to properly protect information and to educate staff on when it is not appropriate to access information. The CCC has a range of resources relating to the protection of confidential and private information available on its website.

Australian Public Sector Anti-Corruption Conference

APSACC is a biennial conference hosted by the Independent Commission Against Corruption (NSW) and the CCC. APSACC is an opportunity for Australian and international public sector leaders in integrity to discuss the latest innovations, strategies and future directions in preventing corruption. The program aims to advance participants' knowledge and understanding



Visits to regional Indigenous communities

In 2017–18, the CCC Chairperson and staff visited Woorabinda, Rockhampton, Mornington Island, Pormpuraaw, Kowanyama and the Lockhart River as part of an ongoing program of regional visits. In Woorabinda, the Chairperson met with the Mayor and Councillors from Woorabinda Aboriginal Shire Council, the Woorabinda Community Justice Group, Elders and community members, and officers from the QPS. In Rockhampton, the Chairperson met with

the Council and Yoombooda gNugeena Aboriginal and Islander Justice Panel. The meetings with Mornington Island, Pormpuraaw, Kowanyama and the Lockhart River councils formed part of a listening tour that engaged with local councils and Indigenous communities to hear firsthand about corruption, crime, policing and other law and justice issues that face these communities, provide assistance and information about preventing, detecting and responding to these issues and obtain guidance about the CCC's Reconciliation Action Plan.

of effective approaches for reducing corruption risks and increasing agency corruption resistance.

As part of the 2017 conference, the CCC gave presentations and workshops on topics including practices that create corruption risks and affect transparency, integrity and public confidence in Queensland local government; data as an asset; building corporate integrity and using intelligence to guide corruption and misconduct investigations.

Prevention publications

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

Prevention advisories

Knowing where corruption is most likely to occur is fundamental to managing it effectively. The CCC produces prevention advisories to assist Queensland public sector agencies identify major corruption risks and develop prevention strategies. Below are three examples that were released in 2017–18:

- *Post-separation employment: when employees move to the private sector* highlights the risks of, and offences relating to, post-separation employment.
- *Social media and the public officer* highlights the risks and offences of social media use by public officers.
- *Use of official resources* highlights the risks and offences of the misuse of official resources with a public authority.

Prevention in Focus

The prevention in focus series of publications draws on CCC investigations to highlight specific prevention lessons for managers and staff of public sector agencies.



April 2018

Risks in recruitment — are you adequately vetting your staff: what you should know is intended to help managers, members of selection panels and HR staff in public agencies be more aware of the dangers of recruiting or promoting people who pose corruption risks, particularly into high-risk positions, and how to use effective vetting processes to minimise those risks.

May 2018

The potential cost of failing to perform duties as a police officer: what you should know aims to make police more aware of their duties as police officers and the serious consequences they may face if they ignore their obligations to the service and to the public.

June 2018

Conflicts of interest — are you managing yours appropriately? is intended to raise awareness of the issues and, in some cases, allegations that can arise from a conflict of interest that is not properly identified, documented, managed and monitored.

December 2017

Corruption risks involving publicly funded research: what you should know describes the risks to universities, and other publicly funded organisations, of fraud or attempted fraud in relation to research results and grant applications. The publication identified the drivers, consequences and impact of research misconduct and relevant prevention measures. It also highlighted the CCC's investigation that led to the conviction of two University of Queensland researchers. The report identified cultural and organisational vulnerabilities and preventative measures that agencies with a research function may wish to consider.

February 2018

Improper access to public sector databases: what you should know describes the risks to public agencies and their staff of incidents of improper access to private information. It also identifies particular areas of vulnerability and measures to address them.

Our public hearings program

From time to time the CCC conducts public inquiries to allow a wider gathering of evidence and information than can be achieved in a normal investigation. Public hearings also allow the public and stakeholders participating in those hearings to be directly involved in the reform process. Public attendance at, and live broadcasting of, those hearings helps to familiarise the community with significant corruption risks and steps that can be taken to mitigate them.

Reforming local government in Queensland

The CCC commenced Operation Belcarra following the Queensland local government elections in March 2016. At the time the CCC received numerous complaints about the conduct of candidates for several councils, including Gold Coast, Ipswich, Moreton Bay and Logan.

Operation Belcarra included a nine-day public hearing in April and June 2017. A total of 40 witnesses, including candidates, elected officials and other interested parties were called to give evidence. Sessions were live-streamed on the web and were viewed by more than 20,000 people.

As Operation Belcarra progressed, it became apparent that many of the issues under investigation, including property developer donations and conflicts of

interest, had been previously examined by the CCC or its predecessor organisations. The recurring nature of these issues, despite increased regulation and oversight of local government elections and political donations over time, highlighted their inherent potential to cause concerns about corruption.

In fact, widespread non-compliance with legislative obligations relating to council elections and political donations was uncovered. In the CCC's view, this non-compliance was largely caused by a deficient legislative and regulatory framework. Emphasis was placed on identifying the deficiencies of the current system and determining strategies to overcome them. These strategies form the basis of the extensive package of reform recommended in the final Belcarra report.

In October 2017, the CCC published a public report that addresses issues of equity, transparency, integrity and accountability in local government. The report recommends extensive reform in the local government sector with the dual purpose of decreasing corruption risks and increasing public confidence.

The report, titled *Operation Belcarra: A blueprint for integrity and addressing corruption risk in local government*, made 31 recommendations to improve equity, transparency, integrity and accountability in council elections and decision-making. Taken together, they will create new obligations for candidates, councillors, donors and the Electoral Commission Queensland, and form the basis of a more stringent regulatory framework.

The Queensland Premier, the Honourable Anastacia Palaszczuk, responded within a week of the report being delivered, announcing the government's endorsement of all recommendations, supporting some in full and others in principle.

A number of those recommendations, relating to gifts from developers and potential conflict of interest issues for councillors, were incorporated into the Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Bill 2018, which commenced on 21 May 2018.

The CCC will not pursue criminal prosecutions where it identified the current framework may have contributed to the non-compliance, or where the time period for a prosecution has expired.

For further information about investigations into allegations of corruption of elected officials see page 38.



Corruption risks in Queensland's correctional facilities

The corrections sector faces unique corruption and integrity issues. Prisons are complex organisations that can be dangerous and high-risk environments for staff and prisoners alike. They are closed and isolated settings which can increase the risks of corruption by staff working in those facilities.

The CCC launched Taskforce Flaxton in March 2018 to examine corruption in Queensland's 14 prisons, including two privately operated facilities, as well as several low-security work camps where prisoners participate in community service projects. Taskforce Flaxton will identify ways to prevent, identify and respond to corrupt conduct and ultimately improve safety for staff, prisoners and visitors in these facilities.

Taskforce Flaxton was instigated after the CCC noted an increased number of allegations of corruption within corrective services. Allegations related to:

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

The CCC investigation was timely, as Queensland Corrective Services (QCS) entered a new era of reform having only recently separated from the Department of Justice and the Attorney-General to operate as a stand-alone department. QCS continues to provide its full cooperation to the Taskforce, seeing it as a valuable opportunity to examine processes and receive expert and independent advice.

The CCC invited stakeholders and members of the public to contribute their views by way of written feedback. A total of 33 public submissions were received. A public hearing commenced on 14 May 2018 and ran for 13 days. During this period 30 witnesses, including former prisoners, current and former staff, and representatives of non-government organisations with an interest in prison management, gave evidence. The hearing examined key corruption risks along with those features of current legislation and policy that may unintentionally enable corrupt conduct. The hearing also examined potential reforms to better prevent and detect corrupt conduct. The hearing has been adjourned and is expected to recommence for a further two days in August 2018. The CCC will issue a public report on the outcomes of Taskforce Flaxton later in 2018.

Information about the hearing, including witness lists, transcripts of evidence, exhibits and an archive of the live-stream are available on the CCC website.

Response to emerging risks and issues

Although the CCC develops areas of focus as part of its strategic planning process, the dynamics of crime and corruption mean that new behaviours or issues may emerge at any time. Matters warranting our attention come to light via complaints from the public or information from other sources, and lead us to undertake activities outside our principal focus areas.

Pursuing corruption involving elected officials

Elected officials are obligated to act in ways that meet the public trust by exercising judgement and making decisions that will put the interests of the public ahead of their own personal interest. This requires exercising the highest integrity to ensure that their conduct is beyond reproach.

Operation Belcarra investigated the conduct of candidates involved in the 2016 local government elections (see page 36). Following Operation Belcarra, the CCC received new allegations about the conduct of local government elected officials and employees. The CCC began a number of investigations, including pursuing allegations of corruption at Ipswich City Council (ICC) and Logan City Council (LCC).

The investigation into ICC dealt with 65 corruption-related allegations, and resulted in 15 people charged with 86 criminal offences that include official corruption, misconduct in public office, extortion, fraud, attempting to pervert justice and perjury. Of the 15 people charged, seven are either current or former staff members or

councillors, including two mayors, two chief executive officers and a chief operating officer. All criminal matters are currently before the courts.

The investigation identified significant governance failures and cultural issues that appear to have been occurring over many years. The CCC's investigation into ICC is close to finalisation and a public report on culture and governance is planned for release in August 2018.

As the result of investigations into Logan City Council the CCC interviewed nine witnesses during 10 days of hearings, resulting in four criminal charges against the former Mayor, including one official corruption charge, two perjury charges and one fail to register interest charge. These matters remain before the court and the investigation remains ongoing.

CCC investigations into local governments have contributed to the Queensland government establishing the Office of the Independent Assessor to improve accountability, integrity and transparency of local governments in Queensland by providing impartial assessment and investigation of all complaints about

the conduct of councillors. The government has also made legislative changes to remove elected council officials charged with corruption or integrity offences or where it is deemed in the public interest.

Review of Terrorism (Preventative Detention) Act 2005

The CCC is sometimes called on by the government to explore and report on complex public policy issues that can arise from a special referral, or as a consequence of legislative provisions. As part of this remit the CCC has been conducting a review of Queensland's *Terrorism (Preventative Detention) Act 2005* (TPDA) to determine the need for, and effectiveness of, this legislation. The TPDA enables a person to be detained by police for a period of time to prevent a terrorist act from occurring in the near future, and to preserve evidence that may be linked to a terrorist act. In March 2018, the CCC called for public submissions as part of its review. Ten submissions were received and are available on the CCC website. The CCC will provide the report to the Queensland Police Minister who is required to table the report in State Parliament by November 2018.

Complaints on the increase



Complaints against the public sector and local government have increased by 28 per cent and 14 per cent respectively in 2017–18. Investigating corruption in the public sector has become increasingly complex, especially those investigations involving elected officials which often result in protracted and resource-intensive investigations. To ensure our investigations are timely and effective, the

CCC will utilise additional funding of \$7.4 million over the next four years, with \$1.9 million per year thereafter, to engage an additional 13 frontline staff. These positions will primarily focus on corruption investigations. In recognition of the importance of public confidence in elected officials, the CCC will continue to focus on pursuing corruption of elected officials in 2018–19.



03 Building our organisational capability

40 | **Focus area:** Improving organisational performance



FOCUS AREA: Improving organisational performance

Improve organisational performance by developing our workforce and systems

Supporting an inclusive culture

This year we've continued to develop our workforce through leadership and mentoring programs, talent management and mobility initiatives. As a values-driven organisation we are focused on growing our 1CCC ethos to improve the ways in which we work together and share knowledge across the organisation. The CCC's People and Culture Strategy is underpinned by our 1CCC values and has informed the work we've undertaken this year.

Developing our leaders

In 2017–18 we've worked in partnership with the Queensland Public Service Commission (PSC) to develop a 1CCC Leadership Capability Roadmap that articulates how we'll develop adaptive, courageous and innovative staff who can transition to the next level of leadership. The Roadmap aligns with the broader public sector and allows us to take advantage of contemporary leadership development offerings available through the PSC.

In December 2017, we launched our Leadership Development Program (LDP), targeting key capabilities for CCC leaders and managers. The program focused on:

- managing organisational performance
- leading change with agility
- engaging with ideas, innovation and risk
- navigating complex, ambiguous and political environments.

Delivered through a series of facilitated workshops, executive coaching, and peer support relationships, the program is currently being evaluated to consider further improvements when rolled out in future years.

Following an evaluation of a trial completed in 2017 of the "Great Managers" program, which is offered through the Institute of Public Administration Australia, a second cohort of staff commenced the program in March 2018. The program is designed for adult learning and focuses on foundational and team leadership skills. It's delivered via a combination of self-paced online lessons and face-to-face video conferencing forums.

Workforce mentoring and mobility

In 2017–18, the CCC has undertaken a number of programs to grow capability and improve mobility across the organisation. For example, the trial of a new mentoring program commenced in December 2017, targeting two key professional disciplines within the CCC: lawyers and investigators. Mentors and mentees were matched to maximise knowledge and information sharing across disciplines and divisions. A number of workshops have been held to provide mentors and mentees with the necessary tools to commence their mentoring journey. This program is ongoing and we will be implementing it more generally across the CCC.

We are currently developing a 1CCC People Growth Strategy to outline the CCC's commitment to developing an agile, flexible, responsive and resilient workforce. To support the 1CCC People Capability Growth Strategy, research into career development pathways is being carried out to outline development options for staff capabilities and support life-long learning. Further work on the strategy and its implementation will occur in 2018–19.

Our values



People



Accountability



Integrity



Courage



Excellence

Growing our inclusive culture

As reported in last year's annual report, we established our Values and Culture Group (VCG) in 2016. Comprising representatives from each of our business units, the VCG continues to lead initiatives to embed and support our organisational values of People, Accountability, Integrity, Courage and Excellence (PAICE).

This year the VCG took the concept of "Team CCC Day" initiated in the previous year and turned it into "Team CCC Week". VCG representatives and their business units championed a different organisational value

each day of the week, with the focus on celebrating the value in a way that encouraged participation and relationship-building across the organisation. The VCG has also commenced developing a "Leaders Playbook". The Playbook has been designed specifically for new and emerging leaders and is intended as a resource to promote and embed corporate values. The guide will provide practical suggestions for integrating the values and values-based behaviour into the day-to-day operations of teams and to develop a positive and productive workplace culture.



Listening to our staff



In 2017, the CCC again participated in the *Working for Queensland Employee Opinion Survey*. The survey measures workplace climate across the public sector.

The results of the WfQ survey provide invaluable information on staff perceptions of the workplace and this directly informs the CCC's People and Culture Strategy. The 2017 survey results showed improvement across all three strategic priority areas: collaboration, innovation and engagement. In support of this, we continue to deliver initiatives to promote employee wellbeing, which include:

- adopting a 1CCC Induction Program that focuses

on the 1CCC values and our strategic vision for the future

- implementing a new 1CCC operating model and framework
- developing targeted leadership programs for our managers and executives, along with a 1CCC Leadership Capability Roadmap
- implementing a mentoring program for key professional disciplines
- supporting strategic ICT projects to improve our systems, technology and data analytics capability
- providing regular forums and staff updates to share outcomes against both strategic and operational priorities.

FOCUS AREA: Improving organisational performance

Improve organisational performance by developing our workforce and systems



Connecting with our community

2017 NAIDOC Week



The 2017 NAIDOC Week theme was “Our Languages Matter” which emphasised and celebrated the unique and essential role that Indigenous languages play in cultural identity. NAIDOC Week

provided an opportunity for the CCC to support local Aboriginal and Torres Strait Islander (ATSI) peoples through a range of activities including hosting stalls at the Musgrave Park Family Fun Day in Brisbane, and Townsville NAIDOC Week’s Deadly Day Out. These events, in conjunction with our regional visits to regional Indigenous communities (see page 34), play a vital part in building links with ATSI people.

International Women’s Day

To celebrate International Women’s Day on 8 March 2018, staff from the CCC attended the Public Safety Portfolio’s International Women’s Day 2018 awards ceremony and luncheon. This year’s theme was “Connecting and empowering through partnerships” and the event was a great opportunity to connect with and hear about the achievements of women and men across the public sector.

Legal Walk

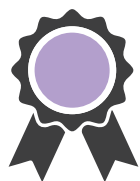
Senior leaders and staff participated in the Queensland Legal Walk on 15 May 2018 to raise funds for LawRight, an independent, not-for-profit, community-based legal organisation coordinating the provision of pro bono legal services particularly for Queenslanders most in need—the homeless, those with mental illness, victims of domestic violence and self-represented litigants.

Generous Jeans Friday

Generous Jeans Friday is an initiative of the Strategic and Corporate Services division to connect and contribute to our local communities. Each month work areas nominate a local charity to support, and then collect contributions on casual dress Fridays. Since it began a total of \$6,528 has been raised, and in 2017–18, \$2,743 was raised for the following charities:

- Samford Rural Fire Brigade
- Moonyah – Salvation Army Recovery Services
- Orange Sky Laundry
- Guardians of Animals in Crisis
- Smith Family Toy and Book Appeal
- Southern Cross Wildlife Care
- Share the Dignity
- Disabled Surfers
- Black Dog Institute.

Recognising our staff



2017–18 PAICE Award Winners

The CCC's online staff recognition tool—PAICE— allows staff to thank and recognise their peers who have demonstrated the 1CCC values. PAICE helps bring the CCC's values to life and encourages an inclusive, engaged and professional workforce. The 1CCC PAICE awards were held in June 2018, with staff across the CCC recognised for their work and commitment to the CCC's values. We value all our staff and the work they do. Some of our award winners are listed below.

People Award - Amy Smith

Amy demonstrates many of the CCC values, however it is her approach to dealing with people that is the basis for her award. Amy always seeks out opportunities to help others, and often goes out of her way to say a kind word and invests time in getting to know the people she works with. She is always pleasant, cheerful and engaged, maintaining a positive and friendly demeanour, even during stressful and challenging periods.

Integrity Award - Mark Docwra

Mark is an asset to the CCC and is held in high esteem by his colleagues. His advice is regularly sought by colleagues and senior staff, consistently demonstrating the CCC value of Integrity by delivering well-considered, independent and fearless advice in a timely manner.

Excellence Award - Caret Mostert

Caret consistently provides excellent support and service, and is always generous with her time with her colleagues. She marries excellence with graciousness towards those she assists. Caret strives to be well-informed, is always willing to provide assistance, make further enquiries where needed, identify problems and give advice on possible solutions. Caret's diligence in her approach to work and her positive, friendly and inviting manner leads to her colleagues having the utmost trust in the advice that she provides.

Accountability Award - Gavin McTaggart

Gavin goes beyond expectations in his role at the CCC, and shows dedication and commitment on a daily basis. He demonstrates accountability through using his judgement, consultation with stakeholders (internal and external) and professionalism in difficult situations, and his actions contribute significantly to a positive outcomes. Gavin conducts himself in an exemplary fashion and been totally reliable in all aspects of his role at the CCC, and has also stepped up when needed, carrying out these additional duties to the highest standard, displaying leadership and judgement.

Courage Award - Hilary Fisher

Hilary displays courage through her work by providing considered, forthright advice that maintains the integrity of the CCC. Hilary is firm and resolute in taking responsibility for the quality of the advice she provides. Her depth of professional knowledge, patience and professionalism when guiding and assisting colleagues working on complex issues is valued by her colleagues. Hilary's drive, motivation, perseverance and quiet determination is a model and inspiration for others.

All-rounder Award - Amy Stevenson

Amy is a valued and thoughtful member of the Commission, and is considered an asset to both the CCC and her work area by colleagues. She was recognised for working at a high standard, using her initiative and providing excellent assistance to colleagues that goes above and beyond. Amy always communicates professionally, has an excellent work ethic, uses her initiative to identify work opportunities outside the scope of her role and is incredibly helpful in providing information and advice to her colleagues.

FOCUS AREA: Improving organisational performance

Improve organisational performance by developing our workforce and systems

Developing our systems

Supporting a digital workplace

The CCC's ICT Strategic Plan 2017–21 aims to provide a digital workplace that enhances the CCC's ability to deliver its strategic objectives. In 2017–18 our ICT Capital program has focused on modernising the information management environment by replacing critical infrastructure, planning for a future dual redundant data centre, and transitioning storage and archiving to an 'as a service' model. Key outcomes in 2017–18 include:

- replacing our HR Payroll and IT Service Desk systems
- implementing Print and Imaging as a Service (PlaaS)
- updating our web streaming capability to enable us to live-stream public hearings
- progressing the remediation and modernisation of critical technology assets including a new data centre, website, intranet and telephony system.

From 1 July 2018, the CCC will receive \$16.3 million over four financial years, and approximately \$3.9 million per financial year in ongoing recurrent funding, to significantly enhance the processing of digital evidence and intelligence analysis, and provide for a secure and contemporary cloud-based data platform.

Unified technology, systems and business processes

In 2017–18 we continued to improve organisational performance through Program Unify, an important program of work established in order for us to realise the full potential of the new integrated case management system (CMS). Program Unify is more than the delivery of new technology, it has a number of benefits and outcomes including:

- alignment and integration across all our activities not just in the investigative management space
- streamlined processes and decision-making activities resulting in less complication and unnecessary tasks
- cohesion and interaction across the CCC for improved responsiveness and timeliness.

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

Business improvement

In February 2018 we adopted a new operating model which shapes the way we deliver value for our clients, customers and other stakeholders. It is closely tied to our 1CCC way of working and enables us to focus on our core operational activities: investigations, projects and witness protection.

The new operating model requires us to be flexible and responsive to emerging issues and opportunities so in 2017–18 we introduced 40 of our managers, supervisors and team leaders to the concept of *Agile* in business

project management. Customised face-to-face training sessions focused on CCC work practises and how the principles and rituals of Agile methodology can assist us to be more adaptive and responsive when carrying out our investigations and delivering projects. The training package is now available to all CCC staff via CCCLearning (our online learning management system).

A new operational framework was also delivered, paving the way for consistent, uniform work practices in how we identify and manage matters for investigation. The Executive Leadership Team (ELT) now undertakes an assessment and review function to better coordinate resources and monitor investigations and projects to ensure they continue to be feasible and are appropriately resourced and targeted. Both the operating model and operational framework are central to how operational activity is undertaken.

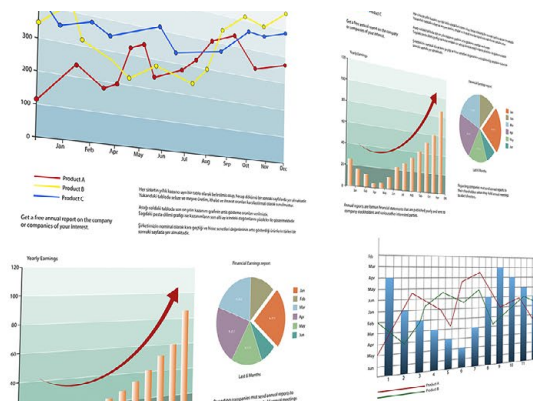
In 2018–19 this will be further enhanced by an operations manual which will consolidate many of our policies and procedures related to the identification, management and practices associated with undertaking investigations, projects and witness protection. The operations manual will be strongly linked to functionality available in the new CMS.

Data analytics

Data is an essential asset for our organisation. As more business activity is digitised, data analytics enables the CCC to examine, evaluate and harness data from a range of disparate sources. By converting that data into information, we can better examine core issues, identify risks, predict patterns, and respond in real time to emerging issues. Our investment in data analytics will build investigative and prevention capability in areas such as technology-enabled crime and corruption risk.

The CCC is collaborating with CSIRO's Data61 on two projects to improve the CCC's analytical capability. The first project seeks to demonstrate the capacity of data-driven approaches to identify cases of corruption and indicators of corruption risk. The second project is a "proof of methodology concept" that aims to test the feasibility and utility of interrogating publicly available information about illicit commodities from various dark web forums and marketplaces.

In 2018–19, the CCC intends to deliver a data analytics environment that can harness and translate data into information through visualisation as well as delivering forecasting and predictive analysis capabilities.



Case management system (CMS)

In 2016–17, the CCC received government funding of \$4.3 million over two years for a CMS. The implementation of a CMS is a response to the 2013 Keely Review that made a series of suggestions and recommendations to establish contemporary, modern investigations work practices and case management facilities.

Phase one of this project was completed in 2016–17 and included an analysis of the current state of our systems and processes and documenting the high-level business requirements. In 2017–18 we completed phase two (solution identification) and commenced phase three (solution acquisition).

In early 2018–19 a contract will be awarded to a vendor for the supply of the CMS and phase four (solution deployment) we will commence with plans to launch the new system by mid-2019.

The CMS will bring a number of benefits to our work including increasing our investigation capability to align with best practice and increase our efficiency and cost-effectiveness. Many existing systems will be replaced by the CMS to take advantage of automation and improve how complaints and investigations data are captured, analysed and reported. We will also be able to collect real-time data about our operations enabling better allocation and measurement of outcomes.

FOCUS AREA: Improving organisational performance

Improve organisational performance by developing our workforce and systems

Expanding and enhancing our digital outreach

Given the importance of what we do for the people of Queensland, we understand the need to expand access to our work to increase transparency, accountability and awareness. To enable this to occur the CCC has been increasing the accessibility of our work through digital means.

For example, our public hearings program is an important component of our work and also attracts great public interest. We understand there can be difficulties, due to distance or time, in attending our public hearings. We also understand the importance of Queenslanders having direct access to important public hearings so we are constantly improving how these are delivered. In 2017–18 to improve the ability of the Queensland public to access our public hearings program, we upgraded our audio visual systems to improve our live-streaming capability. Our public hearings are now accessible as they are happening to Queenslanders wherever they are. They are also archived online. Archived footage from our recent Taskforce Flaxton public hearing is available from our website.

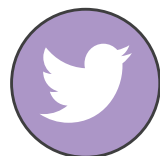
We also expanded our social media presence in 2017–18. In October 2017, we launched a CCC Facebook page to complement our Twitter account

which had gone live in February. We know the public consume information in a variety of formats, with online and digital channels on the rise. We post information on social media so we can connect with more Queenslanders to help explain our important work.

In 2018–19, to further enhance the user experience of the Queensland community and their accessibility to the CCC and our work we will be delivering a new CCC website and telephony system. We will also be further developing our social media presence to expand our outreach in preventing, detecting and responding to major crime and corruption.



Figure 3. Social media and website statistics as at 30 June 2018



Twitter
562
followers



Facebook
641
followers



CCC website
184,393
visits



04 Governance

48 | Our governing body – The Commission

50 | Our Executive Leadership Team

52 | Our staff

57 | Our governance and oversight



Our governing body — The Commission

The CCC is led by a five-member group referred to as “the Commission”. The Commission is responsible for providing strategic leadership and direction for the performance of the agency’s functions and the exercise of our powers by the Chairperson, CEO and other staff.

Mr Alan MacSporran QC

Chairperson

Appointed on 1 September 2015



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

Mr Sydney Williams QC

Deputy Chairperson

Appointed on 1 November 2014



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

Mr Marshall Irwin

Commissioner

Appointed on 1 March 2016



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

Professor Anne Tiernan

Commissioner

Acting appointment, 11 November 2016
to 10 February 2017

Appointed on 10 March 2017



Professor Tiernan has a PhD (Griffith), Bachelor of Arts (ANU) and a Bachelor of Commerce (Hons, First Class, Griffith). She is the Dean (Engagement) for the Griffith Business School, Griffith University, and a Fellow of the Australian and New Zealand School of Government (ANZSOG). Between 2008 and 2016 Professor Tiernan was Chair of the Queensland Independent Remuneration Tribunal, a Member of the Public Records Review Committee of the Queensland State Archives, a member of the Board of Commissioners of the Queensland Public Service Commission and a Director of St Rita’s College Ltd.

Ms Deborah Holliday

Commissioner

Acting appointment, 11 November 2016
to 10 February 2017

Appointed on 10 March 2017



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

Table 6. Commission meetings from 1 July 2017 to 30 June 2018

Commissioner	Position	Meetings Attended	
		Ordinary meetings	PCCC meetings
Mr Alan MacSporran QC	Chairperson	11	2
Mr Sydney Williams QC	Deputy Chairperson	11	2
Mr Marshall Irwin	Ordinary Commissioner	10	2
Professor Anne-Maree Tiernan	Ordinary Commissioner	11	1
Deborah Holliday	Ordinary Commissioner	10	1
Ex Officio members			
Mr Forbes Smith	Chief Executive Officer	2	0
Ms Jen O'Farrell ¹	Acting Chief Executive Officer and Executive Director, Strategy & Corporate Services	10	2
Ms Sharon Loder	Senior Executive Officer (Crime)	9	2
Ms Dianne McFarlane ²	Senior Executive Officer (Corruption)	1	0
Mr Paul Alsbury ³	Senior Executive Officer (Corruption)	7	1
Detective Chief Superintendent Cameron Harsley APM ⁴	Executive Director, Operations Support	5	0
Detective Chief Superintendent Cheryl Scanlon APM ⁵	Executive Director, Operations Support	4	0
Ms Angela Pyke ⁶	Director, Financial Investigations	11	1
Mr Rob Hutchings ⁷	Director, Legal Services	9	1
Dr Rebecca Denning	Director, Policy and Research	10	0
Mr Barry Adams	Director, Intelligence	8	1
Mr David Goody ⁸	Acting Director, Financial Investigations	4	0
Mr Todd Prickett ⁹	Acting Director, Intelligence	1	0

Notes:

1. Ms O'Farrell's acting appointments as CEO were from 14 August 2017 to 29 August 2017, 07 October 2017 to 02 February 2018, 19 March 2018 to 24 August 2018.
2. Ms McFarlane's term as Senior Executive Officer (Corruption) concluded 15 September 2017.
3. Mr Alsbury's term as Senior Executive Officer (Corruption) commenced on 03 October 2017.
4. Detective Chief Superintendent Harsley's term as Director, Operations Support concluded 19 January 2018.
5. Detective Chief Superintendent Scanlon's term as Director, Operations Support commenced on 22 January 2018.
6. Ms Pyke's acting appointments as Executive Director, Strategy and Corporate Services (ED, SCS) were from 14 August 2017 to 02 February 2018 and 19 March 2018 to 23 July 2018.
7. Mr Hutchings's acting appointments as CEO was from 30 August 2017 to 06 October 2017.
8. Mr Goody's acting appointment as Director, Financial Investigations was from 07 August 2017 to 02 February 2018.
9. Mr Prickett's acting appointment as Director, Intelligence was from 08 January 2018 to 02 February 2018.

Appointment criteria for Commissioners

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

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

Appointment criteria for the Chief Executive Officer

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

Our Executive Leadership Team (ELT)

Jen O'Farrell

Chief Executive Officer

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



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

Jen has considerable experience in the public and private sectors, with senior positions and skills in law, risk management, corporate governance, workforce management and organisational strategy

Sharon Loder

Senior Executive Officer (Crime)

LLB, BBus, LLM (admitted as a
Barrister-at-law in 2000), GAICD
Appointed on 03 July 2017



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

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

Paul Alsbury

Senior Executive Officer (Corruption)

LLB, BBus, LLM (admitted as a
Barrister-at-law in 2001), GAICD
Appointed 03 October 2017



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

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

Detective Chief Supt.

Cheryl Scanlon APM

Executive Director, Operations Support

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



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

Cheryl is a highly experienced police officer with the Queensland Police Service and has been instrumental in driving significant government reforms in the area of Child Protection and Social Services before commencing with the CCC.

Angela Pyke

Director, Financial Investigations

BCom (Acctg), CPA, GAICD
Appointed on 18 March 2013



Responsible for the financial investigation discipline across the CCC, including the administration of the civil confiscation regime and the serious drug offender confiscation order scheme for Queensland.

Angela has over 16 years experience in law enforcement as a financial investigator, working for the Queensland Crime Commission, the Australian Crime Commission and the CCC.

Dr Rebecca Denning

Director, Policy and Research

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

Responsible for the Policy and Research division that generates evidence to support the proper performance of CCC functions, inform policy development and guide reform, and collaborates with stakeholders to generate high-quality knowledge and advice, and identify innovative and better ways to understand and address peculiar and systemic problems.

Rebecca has extensive government policy and research experience, having worked in State and Commonwealth agencies, predominantly in the criminal justice sector.

Rob Hutchings

Director, Legal Services

LLB (admitted as a solicitor in 1994)
Appointed on 26 April 2012

Responsible for the Legal Services division that provides independent and professional legal advice and assistance on administrative and compliance matters, corporate governance, legislative reform, procurement, information disclosure, and complex operational matters.

Rob has provided legal services to the Queensland public sector for over 20 years, working for Crown Law in various roles including commercial litigation and constitutional advice.

Barry Adams

Director, Intelligence

G.Cert Applied Management (Intelligence)
Appointed 23 November 2012

Responsible for the Intelligence function which supports investigations through intelligence gathering and analysis.

Barry has over 30 years experience in law enforcement and intelligence having worked with the Australian Customs Service, National Crime Authority and the Australian Crime Commission.

The role of the ELT

The ELT supports the Commission by providing advice, leading discussions and making recommendations on strategic and operational matters critical to the CCC's performance. The ELT is responsible for:

- 1. Strategic oversight:** Understanding the CCC's operating environment, identifying strategic issues and steering the organisation towards achievement of strategic goals and objectives.
- 2. Corporate leadership:** Guiding strategic and operational activities, setting the tone for how things are done and driving good governance through oversight of the CCC's governance framework.
- 3. Portfolio assessment:** Setting priorities in alignment with strategic goals and objectives, approval of investigations and projects (including resource allocation).
- 4. Portfolio review:** Analysing business activity and optimising the focus of CCC investment by regular oversight of approved investigations and projects.

Our staff

The CCC employs a diverse mix of professionals including lawyers, accountants, investigators, intelligence analysts and support officers, and seconds a cohort of police officers from the QPS. As at 30 June 2018, our workforce equated to 333.91 full-time equivalent (FTE) staff. Compared with 30 June 2017, our FTEs have decreased by 9.29.

Figure 4. CCC staffing

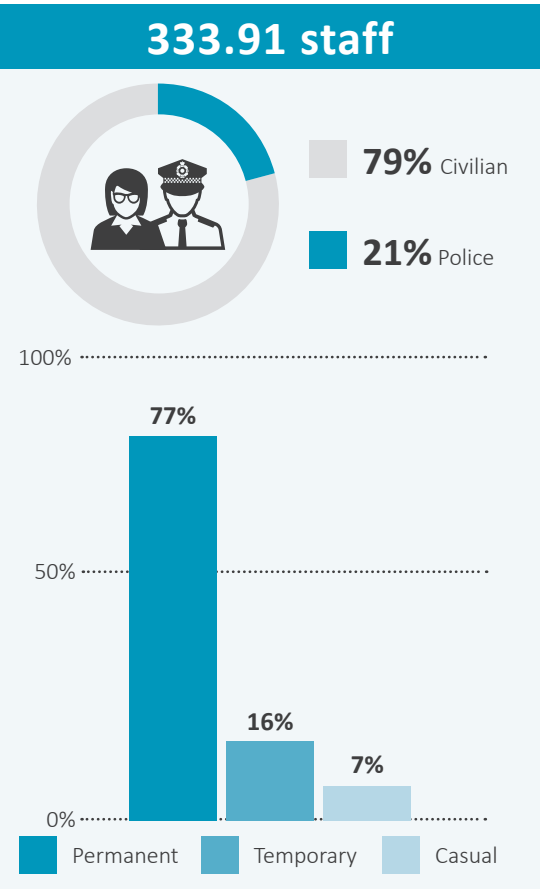


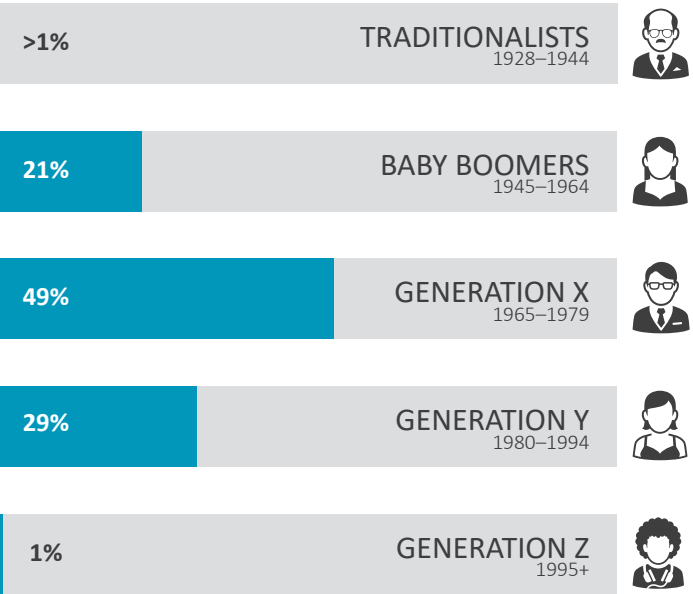
Table 7. Full-time equivalents by division

Division	Full-time equivalent
Corruption	64.00
Crime	25.40
Intelligence	42.49
Legal Services	25.07
Office of the Commission	10.00
Operations Support	50.00
Policy and Research	12.60
Financial Investigations	29.28
Strategic and Corporate Services	66.90
Various (casual employees)	8.17
Total	333.91

Note: Full-time equivalent refers to all permanent, temporary and casual staff (including Commissioners)

Our workforce spans across all five of the generational groups. The average age of our workforce is 44.1 years of age. This is consistent with the wider Queensland public service’s reported average of 44.33 years (as at December 2017).

Figure 5. Generational groupings



Gender profile

Women comprise 64.1 per cent of our permanent, non-police workforce. This is consistent with the wider Queensland public service's reported figure of 66.26 per cent (as at December 2017).

Women fill 53 per cent of all positions at and above AO7 and equivalent classifications, and 47 per cent at the senior executive levels (which include Senior Executive Staff and Commissioners, see Figure 7).

Figure 6. Civilian vs Police by gender

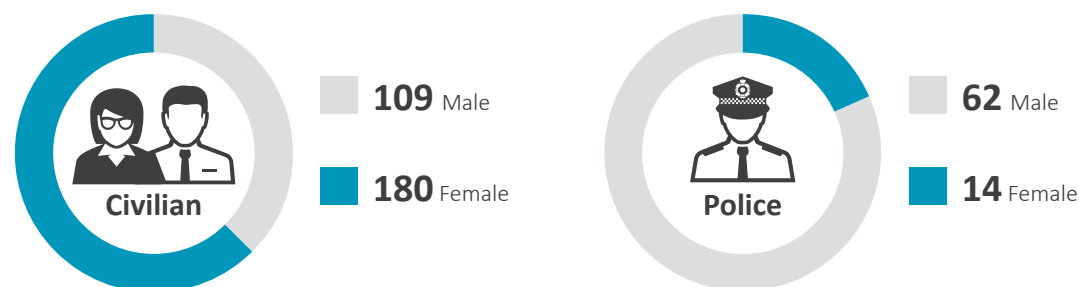
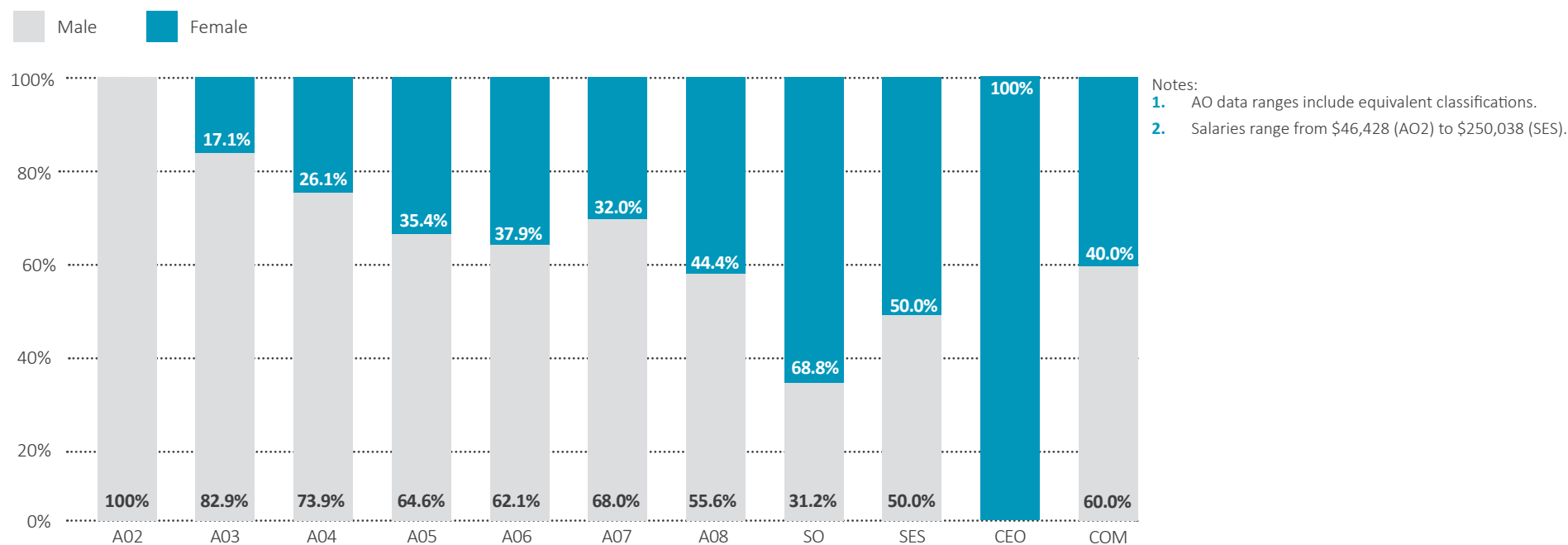


Figure 7. Profile of classification by gender (permanent staff only)

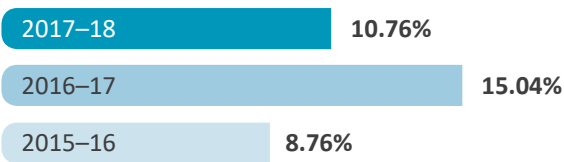


Our staff

Staff retention

- Permanent employee retention rate was 89.24 per cent (compared with 84.96 per cent last year).
- Permanent employee separation rate was lower at 10.76 per cent.
- Our separation rate excludes the separation of seconded police officers who returned to the QPS at the conclusion of their secondment.
- We are unable to compare this with the public service annual separations because the Public Service Commission provides figures based on separations from the public service as a whole and not on separations from individual public sector agencies. By contrast, the CCC counts as a separation any permanent or contracted staff member leaving the agency, whether or not the person moves to another public sector agency.
- The CCC’s long service rate is high, with 36.3 per cent of our permanent staff having ten or more years’ service and a further 24.2 per cent of staff having five or more years’ service.

Figure 8. Staff separation



Other equity and diversity measures

Of our civilian workforce, 77 per cent are employed on a permanent basis. This is consistent with the wider Queensland public service’s reported figure of 76.69 per cent (as at December 2017).

Table 8. Equity and diversity measures

Group	Percentage of permanent staff
Women	62*
Men	38*
Aboriginals and Torres Strait Islanders	0.4**
People with a disability	2.2**
People from non-English-speaking backgrounds	9.4**

* Permanent civilian staff
**Data based on employees who have voluntarily disclosed this information to the Commission.

Early retirement, redundancy and retrenchment

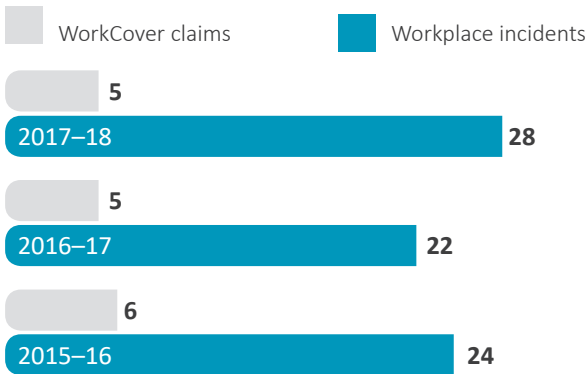
No redundancy, early retirement or retrenchment packages were paid during the period.

Workplace health and safety

The CCC maintains a comprehensive workplace health and safety (WH&S) program consistent with the *Work Health and Safety Act 2011* (WHS Act). In 2017–18, the CCC had 28 reported workplace health and safety incidents and five WorkCover claims. The CCC also provided rehabilitation and return-to-work programs for staff where required.

This year we implemented an eLearning module specifically for managers to assist them understand their responsibilities for the health and safety of their staff as outlined in the WHS Act. The module provides guidance on how managers can proactively manage safety through risk management, staff welfare and safety policy frameworks.

Figure 9. Workplace incidents and WorkCover claims for CCC staff



Supporting ethical conduct

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

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

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

Wellbeing

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

As part of the Wellbeing Plan for 2017–18, the CCC has:

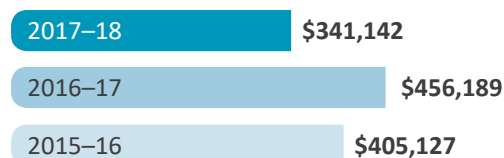
- Completed ergonomic assessments of workstations, including providing advice, assessment and information to 66 CCC officers on improving their workstation ergonomics.
- Delivered staff education sessions on topics including mental health, resilience, managing stress, mindfulness and managing difficult interactions.
- Delivered the CCC-funded corporate flu vaccination program.
- Delivered a "user-pays" yoga program.

Since August 2017 the CCC has partnered with Converge International to provide our Employee Assistance Program (EAP). Converge International supplies a confidential personal coaching and counselling service that is delivered face-to-face or over the phone (or via Skype). Commission officers can access up to four sessions per year (per issue) for themselves or an immediate family member. The EAP can be accessed through a self-referral or management referral process.

The CCC actively promotes the services of Converge International through the 1CCC Induction Program and published online materials. Commission officers can also access an online self-help portal where users can subscribe to email alerts and newsletters. The CCC also maintains a regulated and proactive psychological assessment program for staff who perform duties that may impact their wellbeing.

The CCC supports flexible work practices that help staff balance their work and home lives. Our flexible working arrangements incorporate options such as part-time work, flexible start and finish times, access to accrued time off, compressed working arrangements and flexible leave options, including "purchasing" additional leave through salary averaging.

Figure 10. Training expenditure for developing CCC staff



Staff induction

A quality induction program provides staff with the knowledge they require to do their job effectively, along with an understanding of how their role aligns with the priorities of the organisation. New staff receive comprehensive information about the 1CCC values, culture, and strategic and operational priorities when they first commence work at the CCC. This is followed by a quarterly corporate induction program, hosted by the Values and Culture Group, which provides an opportunity to meet and hear from senior leaders across the organisation. New starters also complete eLearning modules as part of the CCC's Online Induction Program which has been designed to address organisational risks around conduct, fraud and corruption, safety and wellbeing, and information security.

Supporting staff development

The CCC offers employees professional and developmental experience and support. This year the CCC helped 21 staff undertake tertiary study by granting study leave and providing financial assistance toward course fees. Courses being undertaken by our staff include Masters of Intelligence, Bachelor of Law, Bachelor of Justice, Bachelor of Criminology and Criminal Justice, and certified practising accountant/chartered accountant programs.

To assist staff with their ongoing professional development and engagement, we reimbursed 32 staff between 50 and 100 per cent of their professional membership fees. To ensure that specialist staff maintain and enhance their skills, they were given opportunities to attend a range of workshops, seminars and conferences on topics including

Our staff

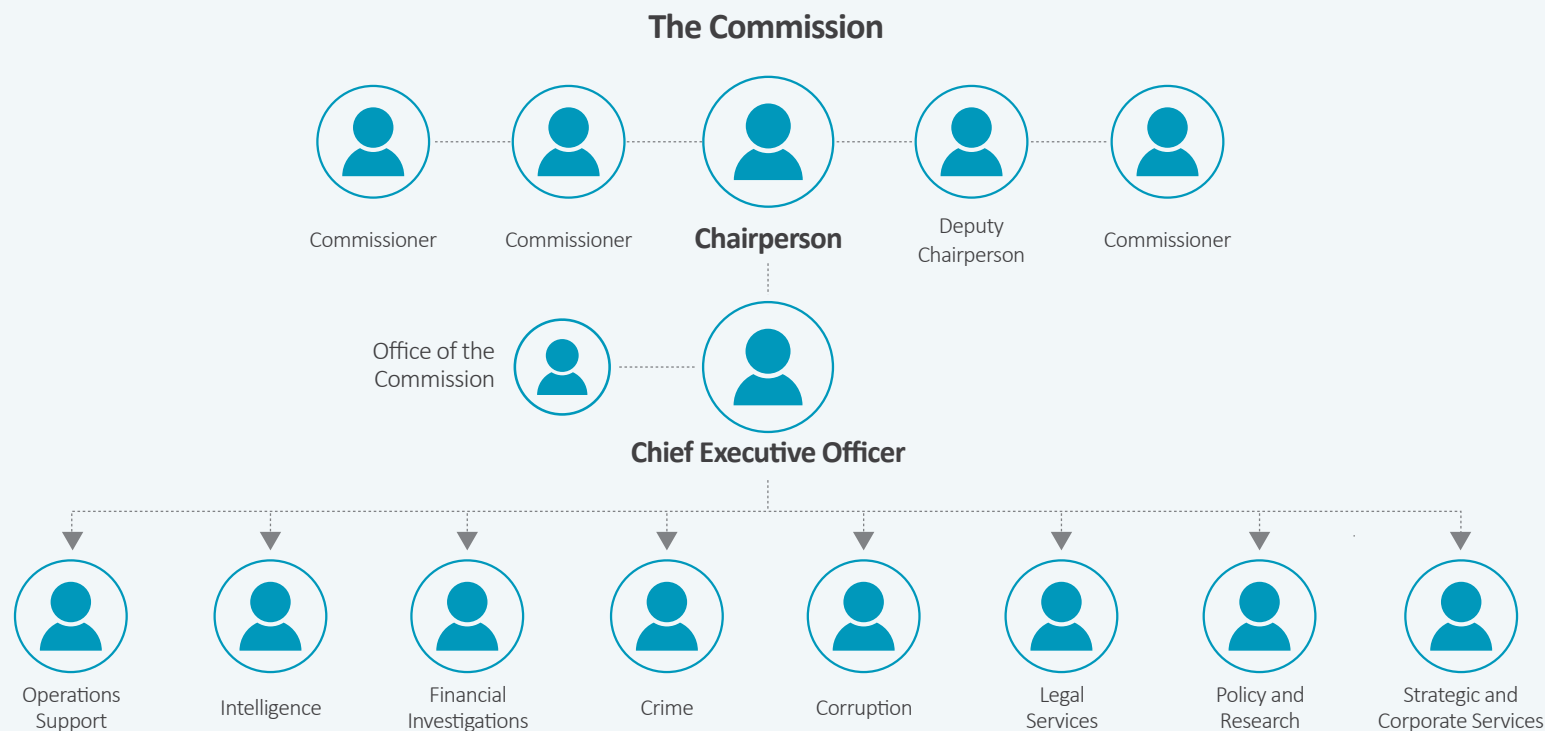
government law, investigative interviewing and leadership in intelligence. The CCC spent \$341,142 on dedicated training and development-related activity for permanent and temporary staff, with an average spend of \$1,268.19 per employee. A large component of this year's investment

related to People and Culture initiatives.

The CCC continues to develop in-house eLearning modules to deliver compliance training to staff via our CCCLearning platform. In addition to existing modules related to our

code of conduct, safety, record management, information security, procurement, risk management and dealing with ransomware, this year's new compliance modules have focused on recruitment and selection, information communication technology (ICT) and procurement.

Our organisational structure



Our governance and oversight

Governance framework

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

While we regularly evaluate the effectiveness of our governance controls through formal audits and self-assessments, this year we conducted a maturity assessment of our governance framework to identify ways to drive improved performance.

The assessment provided an evidence-based assurance to our Executive that the CCC's governance controls were delivering their intended results, and integrated into routine operations to minimise risk and the cost of compliance. Where areas for improvement were identified, we've begun implementing more formal or streamlined processes, as well as more rigorous tools to measure the impact of those

processes. Given that governance maturity forms part of a continuum, like all effective organisations, the CCC is continuously finding ways to improve its business processes and culture.

Risk management

The CCC is committed to an effective system of risk management and recognises that it is a central element of good governance. Risk management has many different facets and includes consideration of physical, technological and information security risks, business continuity and fraud and corruption. Risk management within the CCC is managed in accordance with the *Financial Accountability Act 2009* and in alignment with international standards (specifically, AS/NZS ISO 31000:2009).

The Commission risk register is monitored by the Commission and reviewed by the Executive Leadership Team and the Audit and Risk Management Committee to ensure that appropriate risk treatments and

management plans are in place. Risk management mechanisms are regularly audited by the internal auditor, and are routinely included in the Internal Audit Plan as part of annual assurance processes.

The CCC is focused on developing staff capability to deliver consistent and effective management of risk across the agency. Culture plays a significant part in embedding risk management into all aspects of our business processes and the members of the CCC's Risk Management Group provide support and training to other staff across the CCC. This year the CCC also invested in further risk management training for two staff, as part of formal accreditation offered through the Risk Management Institute of Australia.

Figure 11. Key elements of the CCC's governance framework



Our governance and oversight

Risk Management framework

The CCC's risk management framework promotes a standard approach to risk management to ensure risks are identified, assessed and treated at the appropriate level. The framework and associated documents are available to all staff on the intranet to guide them through the risk management process.

The CCC's Fraud and Corruption Control Plan (FCCP) forms part of the risk management framework and brings together initiatives to prevent, detect and respond to fraud. In 2017–18, recommendations from an internal audit were implemented and a new FCCP was published on the intranet. The FCCP was communicated to staff through a digital "zero tolerance" campaign which included highlighting the "red flags" of fraud and corruption risk.

Security framework

In 2017–18, the CCC completed its Physical Security Enhancements project. The project was initiated to review our security framework and implement the recommendations made from the review. The project included:

- a review of Protective Security Risk
- a full review of our physical security framework guided by the Commonwealth Protective Security Policy Framework
- improved access to security information for staff
- enhanced physical security arrangements

- improved communications capability for security
- improved capability for CCC QPS staff to respond to security incidents on site
- implementation of an emergency response plan to enable staff to seek shelter on site whilst police and security respond to a security incident
- extra resources allocated to security
- training and awareness activity for all CCC staff and police.

Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) provides independent assurance on risk, internal controls, compliance with legislative and regulatory requirements, and the financial management of the CCC. The ARMC is a five-person committee consisting of the CEO (the Commission's nominee), two internal members and two external members, one of whom is the Chair (see Table 9). The Chairperson is an ex officio member of the committee. The CCC Internal Auditor and representatives from the Queensland Audit Office have standing invitations to attend ARMC meetings. The ARMC observes the terms of our charter and has due regard to Queensland Treasury's Audit Committee Guidelines.

During 2017–18, the ARMC provided strategic advice and oversight of:

- the integrity of the CCC's financial statements and internal controls

- compliance with legislative and regulatory requirements
- internal risk management process
- fraud and corruption control systems
- business continuity
- the performance of the internal audit function.

Internal audit

The internal audit function forms part of the CCC's governance and assurance framework, operating independently of the activities it reviews. The Internal Auditor provides independent advice and assurance to the CCC's executive and the ARMC regarding the effective and efficient use of CCC powers, assets and resources.

The Internal Auditor is a qualified FCPA, certified by the Institute of Internal Auditors, Government Certified in Fraud Control and a graduate of the Australian Institute of Company Directors.

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

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

- data analytics
- IT change and access controls
- overt and covert credit card management
- occupational safety and wellbeing
- procurement and accounts payable processes for overt and covert operations
- fraud and corruption control framework compliance
- organised crime operations
- corruption operations
- risk management framework

The Internal Auditor also prepared a three-year Strategic Internal Audit plan and an Annual Internal Audit plan for 2018–21 and 2018–19 respectively. These plans were accepted by the Executive, endorsed by the ARMC and approved by the Commission.

External audit

The CCC's financial statements were audited by the QAO in accordance with the *Financial Accountability Act 2009* and other applicable laws. In 2017–18, the CCC received an unqualified audit report.

Managing our records

The CCC records and documents the actions, decisions and communication undertaken with our stakeholders. The CCC is committed to responsible management of records in line with the requirements of the *Public Records Act 2002*, State Government Information Standards (including IS40: Recordkeeping and IS31: Retention and

Disposal of Public Records) and Queensland State Archives (QSA) approved Retention and Disposal Schedules. We regularly review our systems and processes to ensure they are compliant and reflect contemporary records management practice.

Table 9. Membership of the Audit and Risk Management Committee

Name	Position	Meetings attended
Mr Peter Dowling AM ¹	Chair (external)	4
Mr Mike Meintjes ¹	External member	4
Mr Forbes Smith	CEO	1
Ms Jen O'Farrell ²	Acting CEO and Executive Director, Strategy and Corporate Services	3
Ms Angela Pyke ³	Director, Financial Investigations	4
Mr David Goody ⁴	A/Director, Financial Investigations	2
Ex officio members:		
Mr Alan MacSporran QC	Chairperson	3
Invitees:		
Mr Brendan Clarke	CCC Internal Auditor	4

1. Mr Dowling and Mr Meintjes were remunerated \$8,800 and \$5,500 respectively.
2. Ms O'Farrell's acting appointments as CEO were from 14 to 29 August 2017, 7 October 2017 to 2 February 2018, and 19 March to 24 August 2018; as CEO she attended two ARMC meetings and was recorded as an apology for one meeting.
3. Ms Pyke's acting appointments as Executive Director, Strategy and Corporate Services (ED, SCS) were from 14 August 2017 to 2 February 2018 and 19 March to 23 July 2018; as ED, SCS she attended two ARMC meetings.
4. Mr Goody's acting appointment as Director, Financial Investigations (D, FI) was from 7 August 2017 to 2 February 2018; as D, FI he attended two ARMC meetings.

Our governance and oversight

Retention and disposal of records

In 2017–18, the CCC began a new phase of a project to identify and destroy files, folders and storage containers, following a period where the destruction of CCC records was held in abeyance. After identification of the relevant records in 2016–17, the project then moved to audit, approve and destroy those items. Files and documents were permanently recalled from our contracted storage provider, Iron Mountain, to begin this process. Items were checked against the general retention and disposal schedule to ensure correct sentencing and destruction approvals were obtained from the CEO, after all items had been checked by the relevant content managers. In February 2018, the processed destruction approvals were finalised with the physical destruction of approved boxes, files and documents.

In 2018–19, the project is continuing to develop a more sustained approach to checking of items for destruction. Substantial numbers of complaints files, along with administrative files of the Commission, have been identified as due for destruction and will be processed.

Improving our electronic recordkeeping

In 2017–18, the CCC continued to integrate eDRMS functionality into the CCC's operational processes, in support of the CCC's aim to build a digital workplace and move away from paper-based processes. Further system enhancements have been installed and developed, such as Optical Character Recognition, Smart PDF and Word templates, and in conjunction with previous improvements, such as electronic signatures, assist CCC staff to move away from paper-based procedures and towards a paper-lite workplace. To assist this move

and further build staff capability, face-to-face group training sessions were held for staff to understand new processes and capabilities, as well as understand their responsibilities under recordkeeping legislation and related ICT policies.

In addition, in 2017–18 the CCC record management staff have been working with operational areas to ensure compliance with recordkeeping and other required legislation surrounding covert identities and instruments. This has included the development of a new database and procedures to log and maintain assets and identities in a secure environment.

Sustainability and resource management

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

The CCC is committed to reducing its impact on the environment. To support this we have adopted:

- an electronic document and records management system (eDRMS) to reduce or eliminate the need for paper documents

- electronic board and committee papers for internal and external committee members
- live-streaming of public hearings to reach stakeholders across Queensland without the need for intrastate travel
- electronic workflows to improve the efficiency of business processes and reduce the need for signatures on paper documents
- multi-function printing devices to eliminate the stockpiling of printed resources
- recycling facilities in all kitchen areas.

Additional sustainability measures planned for 2018–19 include:

- Implementing consolidated waste collection points within our facilities, with larger waste receptacles located at strategic locations for staff to deposit their own office waste. This measure will significantly reduce the number of waste bin liners we use. The CCC currently have about 350 desk bins so the potential saving in plastic bag use is considerable.
- Replacing paper towel dispensers in bathrooms with air hand dryers. This measure will save around 35 cartons of paper towels every week.

External scrutiny

Oversight by the Parliamentary Committee

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

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

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

- receives and considers complaints against the CCC
- reviews CCC guidelines and policies and may make suggestions for improvement of CCC practices
- reviews CCC reports including the annual report and research reports
- requests reports from the CCC on matters which have come to the committee's attention, through the media or by other means, and
- deals with ad hoc issues concerning the CCC as they arise.

In 2017–18, the CCC met formally twice with the PCCC in both public and private meetings to discuss our current activities and performance.

Parliamentary Crime and Corruption Commissioner

The PCCC is assisted in its oversight process by the Parliamentary Crime and Corruption Commissioner, who investigates complaints against the CCC or our officers. The Parliamentary Commissioner may independently initiate investigation of a matter that involves, or may

involve, the corrupt conduct of a CCC officer. The Parliamentary Commissioner also conducts audits of CCC records and files.

In 2017–18, the Parliamentary Commissioner:

- inspected the CCC's records to ascertain the extent of compliance with legislation governing surveillance device warrants, retrieval warrants, emergency authorisations and controlled operations
- audited records related to the use of assumed identities
- inspected the telecommunications interception records
- reviewed intelligence data held by the CCC
- inspected the covert human intelligence sources register.

Where issues were raised by the audits and inspections, the CCC took appropriate action to address those issues. For information on audit reports see "External audits of our warrant records" (on page 62).

Ministerial oversight

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

Public Interest Monitor

The Public Interest Monitor must ensure the CCC complies with the CC Act, the *Police Powers and Responsibilities Act 2000* and the *Telecommunications Interception Act 2009* (TI Act) (Qld).

The courts

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

Crime Reference Committee

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

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

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

Our governance and oversight

Controlled Operations Committee

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

Controlled operations are investigations of serious indictable offences, misconduct or organised crime that may involve authorised police officers and others engaging in activities that may be unlawful—for example, buying illicit drugs.

The committee comprises the Commissioner of Police (or a nominee), the Chairperson of the CCC and an independent member, who is the Chair.

In the case of any controlled operation by the CCC 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.

Evidence Act 1977

Section 21KG(1) of the *Evidence Act 1977* also requires the CCC to include in our annual report information about witness identity protection certificates given by the CCC Chairperson and the Commissioner of Police. Seven certificates were given by the Commissioner on the basis that he was satisfied that disclosure of the operative’s identity was likely to endanger the safety of the operative. No certificates were given by the CCC Chairperson.

External audits of our warrant records

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

The Parliamentary Commissioner continues to report favourably in relation to the CCC’s procedure on obtaining telecommunication interception warrants and managing telecommunications interception warrant information. In a draft report, dated September 2017, the Parliamentary Commissioner recognised that, generally, the CCC had been fully compliant. However, there were four instances where the CCC had submitted compliance reports outside the reporting period. The Parliamentary Commissioner acknowledged the CCC’s diligence in reporting these matters as soon as they were discovered.

In November 2017, the Ombudsman reported on their inspection of CCC’s stored communications records for the period of 1 July 2015 to 30 June 2016. The Ombudsman considered that the CCC has sufficient procedures to ensure compliance. A further inspection occurred in May 2018 for the period of 1 July 2016 to 30 June 2017. The Ombudsman is yet to provide a report on their findings.

In December 2017, the Ombudsman conducted an inspection of the CCC’s metadata for the period July 2016 to June 2017. The Ombudsman provided a draft report of their findings in June 2018 with regards to their previous audit for the period of October 2015 to June 2016. Items identified as requiring review had previously been addressed by the CCC and processes implemented to ensure future compliance.

Table 10. Use of our powers 2017–18¹

Description	Crime		Corruption	Proceeds of crime
	Investigation	Intelligence		
Notices issued to attend hearing	386	40	159	N/A
Notices to produce	83	N/A	N/A	578
Search warrants	19	N/A	92	N/A
Notices to discover information	N/A	N/A	348	N/A

Notes:
1. Notices and warrants can be cancelled, not served and awaiting authorisation.



05 Financial information

64 | Financial summary

67 | About the Financial Statements

69 | Financial Statements



Financial summary

This financial summary provides an overview of the CCC’s financial performance for the 2017–18 financial year and includes historical financial information for the previous four financial years. A more detailed view of the CCC’s financial performance for 2017–18 is provided in the financial statements.

Financial Results

The CCC’s financial result for 2017–18 was that Revenue exceeded Expenditure by \$407,000, resulting in a net operating surplus at the end of the financial year. The surplus is mainly due to a lower level of expenditure incurred on the development of the new Integrated Case Management System (ICMS) than was originally anticipated as a result of a longer than expected tender evaluation process.

The CCC is funded for its outputs through grant funds received from the Queensland Government comprising of 96.30% of total revenue for 2017–18 (2016–17 — 96.67%).

Table 11. Financial results

Financial Results	2017–18 \$’000	2016–17 \$’000	Variance \$’000
Total Revenue	57,128	56,338	790
Total Expenditure	56,721	56,360	361
Operating surplus (deficit)	407	(22)	429
Net assets	17,894	16,787	1,107

During the 2017–18 financial year, the CCC received additional grant funding for enterprise bargaining (EB) increases, to develop a new ICMS and to continue criminal hearings. The Government has committed the following additional funding for the 2018–19 financial year:

- \$16.3M over four years (\$3.9M per annum ongoing) to enhance the processing of digital evidence and intelligence analysis and provide for a contemporary information security platform
- \$7.4M over four years (\$1.9M per annum ongoing) for additional frontline investigators
- \$1M per annum ongoing to maintain a team to work in wealth order provisions and the serious drug offender confiscation order scheme
- \$1.6M to develop a new integrated case management system; and
- \$0.9M per annum until 2019–20 to fund the criminal intelligence hearings team.

Figure 12. Financial results 2014–15 to 2017–18 (\$ million)

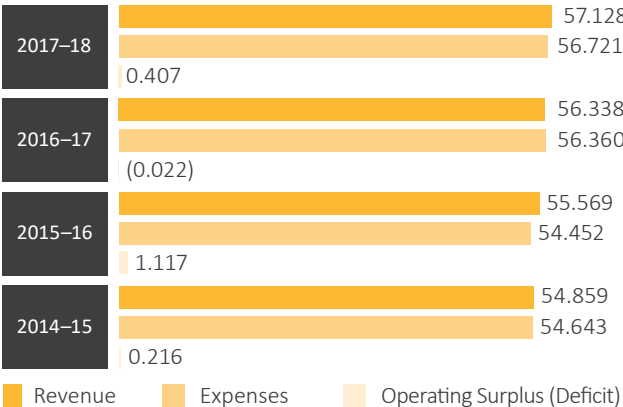


Figure 13. What we spend our money on

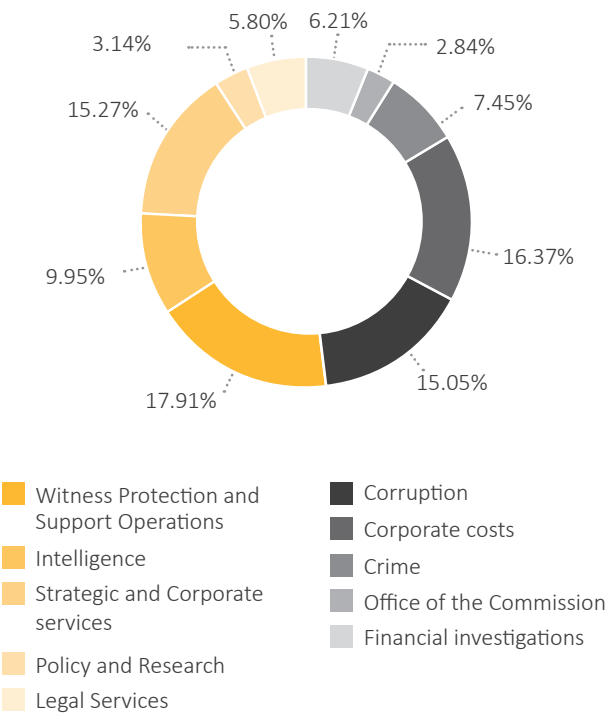
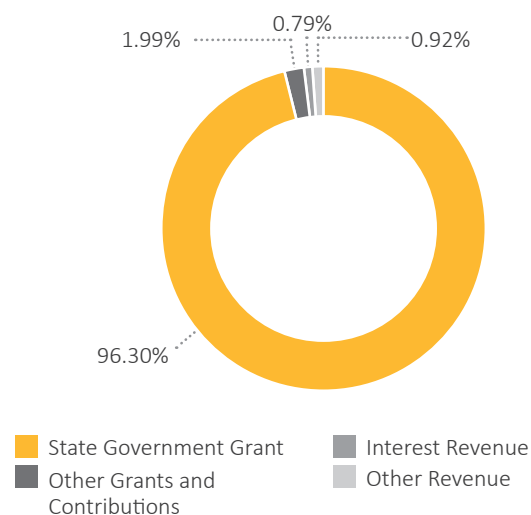


Figure 14. Revenue

The State Government grant forms 96.30% of total revenue. This revenue is supplemented by interest earnings on cash reserves and other general revenue receipts including staff car parking income and gains on sale of plant and equipment. The CCC also receives non-cash contributions for services from the Queensland Police Service (QPS) in relation to provision of police operational support and from the Department of Public Works (DPW) in relation to archival services.

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

Total revenue for 2017–18 was \$57.128M, increasing by 1.40% or \$0.790M from the 2016–17 financial year. The increase in revenue is primarily due to an equity to output swap of \$1.339M in relation to the development of the new ICMS partially offset by a \$0.407M reprioritisation adjustment to Treasury resulting from the 2017–18 Mid-Year Fiscal and Economic Review (MYFER) process.

Expenditure

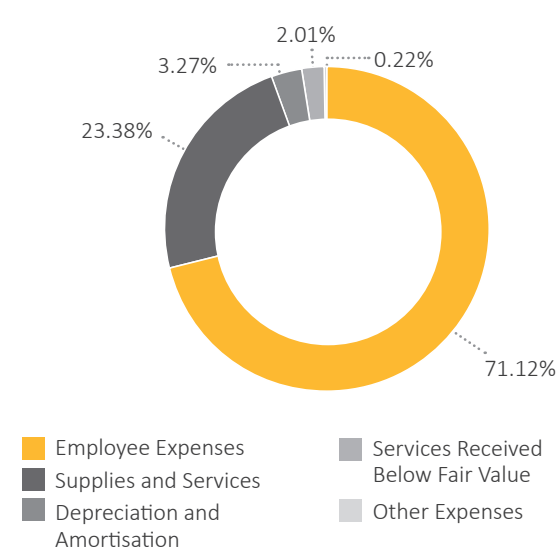
Total expenditure for 2017–18 was \$56.721M, an increase of 0.64% or \$0.361M from the 2016–17 financial year.

Employee expenses are the CCC's most significant category of expenditure comprising 71.12% of total expenditure or \$40.342M in 2017–18. Employee expenditure increased by 0.37% or \$0.150M over the previous year.

Supplies and services expenditure comprised 23.38% of total expenditure for 2017–18. The CCC spent \$13.264M for supplies and services expenditure in 2017–18, compared to \$12.782M in 2016–17. This is an increase of 3.77% or \$0.482M from the previous year, and is mainly due to higher IT contractor spend as a result of the increased level of IT projects currently in progress across the CCC.

Payments for office accommodation are the highest category of supplies and services expenditure at \$4.265M or 32.15% of total supplies and services expenditure.

Consultants and contractors for various services are the second highest category of expenditure at \$2.273M or

Figure 15. Expenditure

17.14%, followed by telecommunications and access costs at \$1.349M or 10.17%. Corporate service provider expenditure has increased significantly in 2017–18 from previous years due to the outsourcing of the CCC's payroll. Expenditure on low value furniture and equipment has returned to normal levels in 2017–18 following the fitout of a new offsite premises in 2016–17. All other expenditure remained relatively consistent with the previous financial year. Refer to Note 6 of the Financial Statements for further details of supplies and services expenditure.

Financial Position

Capital Acquisitions

The CCC invested \$3.601M on capital acquisitions during the 2017–18 financial year compared to \$1.046M in 2016–17, mainly as part of the ongoing asset replacement and maintenance program in accordance with the CCC's Asset Strategic Plan. A full breakdown of capital acquisitions can be found in Note 10 of the Financial Statements under the intangible assets and property, plant and equipment reconciliations.

Assets

As at 30 June 2018, CCC total assets were valued at \$27.445M compared to \$23.805M in 2016–17, an increase of \$3.640M from the previous year. The increase is primarily due to current year capital acquisitions and a higher level of cash assets held at year end.

Liabilities

As at 30 June 2018, the CCC's liabilities were valued at \$9.551M compared to \$7.018M in the previous year. This is an increase of \$2.533M or 36.38% and relates mainly to large ICT capital spend close to balance date.

Net Equity

Equity increased by \$1.107M or 6.59% and is due to a \$0.700M equity injection from Government to fund the development of a new ICMS and the \$0.407M operating surplus for the 2017–18 financial year.

Financial risk management

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

- Ensuring that financial records are properly maintained
- Regular financial audits by the Queensland Audit Office and the CCC's internal auditor
- Regular monitoring and assessment of financial internal controls
- A Budget Management Committee that ensures the budget is framed to maximise outputs from the strategic plan and monitors the budget to ensure that targets are achieved
- Continued engagement with the CCC's Audit and Risk Management Committee
- Regular internal and external financial reporting, including quarterly reports to the PCCC
- Maintaining an updated Financial Management Practice Manual
- Ensuring on-going training and development of finance staff.

Purchasing and Expense Management

The CCC manages its procurement processes in accordance with the *Queensland Procurement Policy 2018*. Our aim is to maximise value for money when purchasing goods and services and to ensure that there

is probity and accountability of procurement outcomes. We do this by ensuring compliance with the CCC's policies and procedures, on-going monitoring and improvement of systems and processes.

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

Asset Management

The CCC manages its assets in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. The CCC performs an asset stock-take on an annual basis.

Chief Finance Officer (CFO) Statement

In terms of section 77 of the *Financial Accountability Act 2009*, the CFO statement is a mandatory requirement for state government departments only. However, the CCC has adopted best practice by providing the accountable officer with a CFO statement for the financial year ended 30 June 2018, attesting to the financial internal controls of the CCC operating efficiently, effectively and economically.

The CFO statement has been presented to the CCC's Audit and Risk Management Committee.

About the Financial Statements

Introduction

The financial statements highlight the CCC's financial performance and overall position as at 30 June 2018.

The financial statements consist of five parts:

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

The financial statements are prepared by the CCC's finance area, are reviewed by the Chief Executive Officer and the Audit and Risk Management Committee and then audited by the Queensland Audit Office.

Statement of Comprehensive Income

The Statement of Comprehensive Income (SOCI) measures the entity's financial performance over a specific period (usually 12 months). The SOCI comprises a profit and loss statement which compares revenues received against expenses incurred. Excess revenue over expenses results in an operating surplus, while excess expenses over revenue results in an operating deficit. The SOCI also includes other comprehensive income which comprises items of income and expenses that are not recognised in the profit and loss.

For the year ended 30 June 2018, the CCC's revenue exceeded expenditure by \$0.407M, resulting in an operating surplus.

Statement of Financial Position

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

As at 30 June 2018, the CCC's equity was valued at \$17.894M, increasing by \$1.107M from the previous year due to a \$0.700M equity injection from Government to fund the development of a new ICMS and the \$0.407M operating surplus for the 2017–18 financial year.

Assets

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

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

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

At 30 June 2018, the CCC's non-current assets of \$9.469M included the book value of leasehold improvements, motor vehicles, computer and other technical equipment, and software (intangibles).

Liabilities

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

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

Non-current liabilities are those liabilities which an entity is not expected to pay within 12 months or which have no legal requirement to settle the debt within the next 12 months. The CCC's non-current liabilities relate to the provision for costs to restore the leased premises to its original condition, lease incentive liabilities for leased premises and deferred lease liabilities which have arisen due to recognising lease expense payments on a straight-line method over the term of the lease.

Net Assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of the CCC as at 30 June 2018.

Equity

Equity is the net worth of the entity and is represented by total assets less total liabilities in the Statement of

Financial Position. An entity's equity balance is made up of initial capital (contributions), accumulated surplus/deficit and reserves.

Statement of Changes in Equity

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

Statement of Cash Flows

This statement shows the actual movements of cash during the financial year. During the 2017–18 financial year, the CCC received \$57.204M in cash and paid out \$52.820M in cash to manage its operating activities. In addition, \$3.319M in cash was invested in capital acquisitions.

The CCC's cash balance at 30 June 2018 was \$16.718M compared with \$14.953M at 30 June 2017. The increase in cash of \$1.765M is mainly due to a smaller capital program in 2017–18 than was originally anticipated.

Notes to and forming part of the Financial Statements

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

General information

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

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

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

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

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

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

Contents

69		Statement of Comprehensive Income
70		Statement of Financial Position
72		Statement of Changes in Equity
73		Statement of Cash Flows
77		Notes to and forming part of the Financial Statements
105		Management Certificate
106		Independent Auditor's Report

CRIME AND CORRUPTION COMMISSION

Statement of Comprehensive Income for the year ended 30 June 2018

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Budget Variance* \$'000	Actual 2017 \$'000
Income from Continuing Operations					
Grants and other contributions	2	56,152	55,245	907	55,584
Interest		452	500	(48)	469
Other revenue	3	401	63	338	202
Total Revenue		57,005	55,808	1,197	56,255
Gains on disposal of property, plant and equipment		123	70	53	83
Total Income from Continuing Operations		57,128	55,878	1,250	56,338
Expenses from Continuing Operations					
Employee expenses	4	40,342	41,144	(802)	40,192
Supplies and services	6	13,264	11,281	1,983	12,782
Depreciation and amortisation	10	1,852	2,332	(480)	2,105
Finance costs		5	5	–	6
Other expenses	7	1,258	1,116	142	1,275
Total Expenses from Continuing Operations		56,721	55,878	843	56,360
Operating Result from Continuing Operations		407	–	407	(22)
Total Comprehensive Income		407	–	407	(22)

The accompanying notes form part of these statements.

* An explanation of major variances is included at Note 21.

CRIME AND CORRUPTION COMMISSION

Statement of Financial Position

as at 30 June 2018

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Budget Variance* \$'000	Actual 2017 \$'000
Current Assets					
Cash and cash equivalents	8	16,718	12,465	4,253	14,953
Receivables		693	705	(12)	450
Other assets	9	565	376	189	552
Total Current Assets		17,976	13,546	4,430	15,955
Non-Current Assets					
Intangible assets	10	335	4,080	(3,745)	276
Property, plant and equipment	10	9,062	9,795	(733)	7,459
Other assets	9	72	156	(84)	115
Total Non-Current Assets		9,469	14,031	(4,562)	7,850
Total Assets		27,445	27,577	(132)	23,805
Current Liabilities					
Payables	11	4,869	2,458	2,411	2,971
Lease liabilities	12	26	26	–	26
Unearned revenue	13	713	3	710	13
Accrued employee benefits	14	3,215	3,997	(782)	3,328
Total Current Liabilities		8,823	6,484	2,339	6,338
Non-Current Liabilities					
Lease liabilities	12	482	482	–	352
Provisions	15	246	342	(96)	328
Total Non-Current Liabilities		728	824	(96)	680
Total Liabilities		9,551	7,308	2,243	7,018
Net Assets		17,894	20,269	(2,375)	16,787

CRIME AND CORRUPTION COMMISSION

Statement of Financial Position as at 30 June 2018 (cont'd)

Equity

Contributed equity

Accumulated surplus

Total Equity

The accompanying notes form part of these statements.

** An explanation of major variances is included at Note 21.*

	12,921	15,857	(2,936)	12,221
	4,973	4,412	561	4,566
Total Equity	17,894	20,269	(2,375)	16,787

01

About
us

02

Crime and
corruption

03

Organisational
capability

04

Governance

05

Financial
information

CRIME AND CORRUPTION COMMISSION

Statement of Changes in Equity for the year ended 30 June 2018

	Accumulated Surplus	Contributed Equity	TOTAL
	\$'000	\$'000	\$'000
Balance as at 1 July 2016	4,588	12,221	16,809
Operating result from continuing operations	(22)	–	(22)
Balance as at 30 June 2017	4,566	12,221	16,787

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

¹ The CCC received a \$700,000 non-appropriated equity injection in 2017-18 to fund the development of a new Integrated Case Management System (ICMS).
The accompanying notes form part of these statements.

CRIME AND CORRUPTION COMMISSION

Statement of Cash Flows for the year ended 30 June 2018

Notes	Actual 2018 \$'000	Budget 2018 \$'000	Budget Variance* \$'000	Actual 2017 \$'000
Cash flows from operating activities				
<i>Inflows</i>				
Grants and other contributions	55,013	54,245	768	54,461
Interest receipts	491	500	(9)	499
GST input tax credits from ATO	1,445	1,166	279	1,388
GST collected from customers	45	–	45	47
Other	210	63	147	245
<i>Outflows</i>				
Employee expenses	(40,599)	(41,164)	565	(39,448)
Supplies and services	(10,481)	(11,351)	870	(13,234)
GST paid to suppliers	(1,576)	(1,140)	(436)	(1,308)
GST remitted to ATO	(46)	–	(46)	(43)
Other	(118)	(10)	(108)	(115)
Net cash provided by operating activities	4,384	2,309	2,075	2,492
Cash flows from investing activities				
<i>Inflows</i>				
Sales of property, plant and equipment	282	244	38	275
<i>Outflows</i>				
Payments for Intangibles	(147)	(3,937)	3,790	(57)
Payments for property, plant and equipment	(3,454)	(4,528)	1,074	(989)
Net cash (used in) investing activities	(3,319)	(8,221)	4,902	(771)

16

01
About
us02
Crime and
corruption03
Organisational
capability04
Governance05
Financial
information

CRIME AND CORRUPTION COMMISSION

Statement of Cash Flows for the year ended 30 June 2018 (cont'd)

Cash flows from financing activities

Inflows

Equity injection

Net cash provided by financing activities

Net increase (decrease) in cash and cash equivalents
Cash and cash equivalents at beginning of financial year

Cash and cash equivalents at end of financial year

The accompanying notes form part of these statements.

** An explanation of major variances is included at Note 21.*

8

	700	3,637	(2,937)	–
	700	3,637	(2,937)	–
	1,765	(2,275)	4,040	1,721
	14,953	14,740	213	13,232
	16,718	12,465	4,253	14,953

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017-18

Objectives of the Crime and Corruption Commission

Note 1	Summary of Significant Accounting Policies
Note 2	Grants and Other Contributions
Note 3	Other Revenue
Note 4	Employee Expenses
Note 5	The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions
Note 6	Supplies and Services
Note 7	Other Expenses
Note 8	Cash and Cash Equivalents
Note 9	Other Assets
Note 10	Property, plant and equipment and Intangible Assets
Note 11	Payables
Note 12	Lease Liabilities
Note 13	Unearned Revenue
Note 14	Accrued Employee Benefits
Note 15	Provisions
Note 16	Reconciliation of Operating Result to Net Cash Provided by Operating Activities
Note 17	Commitments for Expenditure
Note 18	Contingencies
Note 19	Financial Instruments
Note 20	Trust Transactions and Balances
Note 21	Explanation of Major Variances

01

About
us

02

Crime and
corruption

03

Organisational
capability

04

Governance

05

Financial
information

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Objectives of the Crime and Corruption Commission (CCC)

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

Note 1: Summary of Significant Accounting Policies

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

(a) Statement of Compliance

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

- Section 43 of the *Financial and Performance Management Standard 2009*
- Applicable Australian Accounting Standards and Interpretations
- Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2017

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

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

(b) The Reporting Entity

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

(c) Other Presentation Matters

Currency and rounding

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives

Comparative information has not been restated.

Current/Non-Current Classification

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

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

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

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

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

(d) Issuance of Financial Statements

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

(e) Taxation

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

(f) Receivables

Receivables are measured at amortised cost which approximates their fair value and represent amounts owed to the CCC at the end of the reporting period. Sundry debtors are recognised at the amounts due at the time of service delivery, that is, the agreed sale/contract price. Settlement of these amounts is required within 30 days from invoice date. The collectability of sundry receivables is assessed periodically with provision being made for impairment when there is valid evidence that the debts may not be collected. As at reporting date, there were no sundry debtors that required an allowance for impairment.

(g) Accounting Estimates and Judgments

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

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

- Accrued Employee Benefits (Note 14)
- Provisions (Note 15)
- Commitments for Expenditure (Note 17)
- Contingencies (Note 18)

(h) New and Revised Accounting Standards

At the date of authorisation of the financial statements, the expected impact of new or amended Australian Accounting Standards and Interpretations with future commencement dates relevant to the CCC is set out below:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

This standard will first apply to the CCC from 1 July 2018 for its 2018-19 financial statements. The main impact of these standards on the CCC are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the CCC's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

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

(h) New and Revised Accounting Standards (cont'd)

The CCC has reviewed the impact of AASB 9 on the classification and measurement of its financial assets. The following summarises the estimated impact of AASB 9 will change the categorisation and valuation of the amounts reported in Note 19:

- There will be no change to either the classification or valuation of the cash and cash equivalents item.
- Trade receivables will be classified and measured at amortised cost. New impairment requirements will result in a provision of 5% being applied to all receivables rather than those receivables that are credit impaired. The CCC will be adopting the simplified approach under AASB 9 and measure lifetime expected credit losses on all trade receivables. Applying this approach the CCC has estimated the opening provision for impairment of trade receivables on 1 July 2018 as \$0.035m, an increase of \$0.035m compared to the amount reported at 30 June 2018, resulting in net receivables of \$0.658m on transition.

These changed amounts will form the opening balance of those items on the date AASB 9 is adopted. However, the CCC will not restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. In 2018-19 there will be a number of one-off disclosures to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the CCC enter into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment.

AASB 16 Leases

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

Unlike AASB 117 Leases, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

The main impact of AASB 16 for lessees is that the majority of operating leases will be reported in the statement of financial position resulting in a significant increase in assets and liabilities. AASB 16 also allows a “cumulative approach” rather than a full retrospective application to recognising existing operating leases. The cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. The CCC will await further guidance from Queensland Treasury on the transitional accounting method to be applied. Consultation with the Queensland Audit Office has identified that the only current CCC lease that will be required to be capitalised in accordance with AASB 16 is for the premises at Green Square.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

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

(h) New and Revised Accounting Standards (cont'd)

The CCC has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure. The exact impact will not be known until the year of transition. However, the CCC has undertaken a preliminary analysis to identify and quantify the impacts of introducing AASB 16. The current assessment indicates the impact on the CCC's statements of financial position is the recognition of a lease right-of-use asset of \$8.152 million and a corresponding lease liability of \$8.152 million. The net impact of \$0.422 million to opening accumulated surplus at 1 July 2019 is the balance of the deferred straight-line lease liability. This assessment does not take into account estimates/future assumptions which may impact leases in accordance with the standard.

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

These standards will first apply to the CCC in 2019-20 for its financial statements. The CCC has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts.

Potential future impacts identifiable at the date of this report are as follows:

Under the new standards, Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. The CCC, receives its annual appropriation in the form of a grant on a quarterly basis from the Department of Justice and Attorney-General. The total of this grant for 2017-18 was \$55.013m and these grants are expected to continue to be recognised as revenue upfront assuming no change to current grant arrangements. Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of the CCC's goods and services (ie Right to Information (RTI) requests) such that some revenue may need to be deferred to a later reporting period to the extent that the CCC has received cash but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). The CCC has completed its analysis of existing arrangements for sale of its goods and services and the impact, on revenue recognition has been determined as immaterial.

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

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 2: Grants and Other Contributions

Accounting Policy:

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

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

	2018 \$'000	2017 \$'000
Grants		
Queensland Government grant ¹	55,013	54,461
Other Contributions – Services Received Below Fair Value		
Archival storage services from Department of Housing and Public Works (DPW)	197	220
Employee costs for police secondments from Queensland Police Service (QPS)	942	903
	1,139	1,123
Total	56,152	55,584

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

Note 3: Other Revenue

Australian Public Sector Anti-Corruption Conference (APSACC) ¹	164	–
Revenue from derecognising provision for make good ²	133	–
Sundry revenue	104	202
Total	401	202

¹ APSACC 2017 was a joint event held between the New South Wales Independent Commission Against Corruption (ICAC) and the Crime and Corruption Commission Queensland. The surplus funds (\$178,366) from the APSACC 2017 was split between the two Commissions. Whilst the CCC conference surplus was \$89,183, the total funds distributed to the CCC was \$164,183, which included the seed money of \$75,000 the CCC contributed in 2015-16.

² The CCC's lease for one of its offsite premises expired on 31 October 2017. The offsite premises was restored as per the lease agreement and the remainder of the provision for make good was derecognised/reversed in accordance with AASB 116.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 4: Employee Expenses

Accounting Policy:

Wages, Salaries and Sick Leave – Salaries and wages due but unpaid at reporting date are recognised as a liability in the Statement of Financial Position. As the CCC expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts. Also refer to Note 14.

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

Annual Leave – Annual leave benefits are accrued on a pro rata basis in respect of services provided by employees up to balance date. Not all annual leave entitlements are expected to be paid within 12 months therefore, in accordance with AASB 119 *Employee Benefits*, the value of annual leave owing at the end of the reporting period is measured as “other long term employee benefits” and recognised at its present value, calculated using yields on Queensland Treasury Corporation AUD benchmark bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement. Also refer to Note 14.

Long Service Leave – Under the Queensland Government’s long service leave central scheme, a levy is applied on the CCC to cover the cost of employees’ long service leave. Levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears. Also refer to Note 14.

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

Superannuation – Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government’s QSuper defined benefit plan as determined by the employee’s conditions of employment. Also refer to Note 11.

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

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

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 4: Employee Expenses (cont'd)

	2018 \$'000	2017 \$'000
Employee Benefits		
Wages and salaries	31,256	31,059
Annual leave expense	1,737	2,050
Employer superannuation contributions	4,217	3,951
Long service leave levies	717	681
Termination benefits	49	93
Other employee benefits	169	238
Employee Related Expenses		
Workers' compensation premium	262	273
Payroll tax	1,358	1,294
Other employee related expenses	577	553
Total	40,342	40,192
The number of employees including both full-time employees and part-time employees, measured on a full-time equivalent basis is:		
	2018	2017
Number of employees ¹	334	343

The number of employees including both full-time employees and part-time employees, measured on a full-time equivalent basis is:

Number of employees¹

¹ As at 30 June 2018 it includes 76 (2017: 79) police FTE positions seconded from the QPS and paid for by the CCC.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 5: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions

(a) The Commission

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

(b) Chief Executive Officer (CEO)

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

(c) Key Management Personnel

As from 2016-17, the CCC's responsible Minister is identified as part of the CCC's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Attorney-General and Minister for Justice. The details for non-ministerial KMP reflect those CCC positions that had authority and responsibility for planning, directing and controlling activities of the CCC during 2017-18 and 2016-17. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management. Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Member's Remuneration Handbook. The CCC does not bear any cost of remuneration to Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2016-17, which are published as part of Queensland Treasury's Report on State Finances.

(d) Remuneration Expenses

Part-time Ordinary Commissioners' Remuneration

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

Name of Commissioner	Position	Date of term commencement (Date of term expiration)	2018 \$'000	2017 \$'000
Deborah Holliday	Ordinary Commissioner	Acting 11 November 2016 to 10 February 2017 10 March 2017 to current	46	28
Anne Tiernan	Ordinary Commissioner	Acting 11 November 2016 to 10 February 2017 10 March 2017 to current	45	28
Sydney Williams	Deputy Chairperson	1 November 2014 to current	45	51
Marshall Irwin*	Ordinary Commissioner	1 March 2016 to current	64	50
Total			200	157

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

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 5: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions (cont'd)

(d) Remuneration Expenses (cont'd)

Chairperson Remuneration

The remuneration paid to the Chairperson is determined by the Governor-in-Council and is equivalent to the superannuable salary of a Supreme Court judge, other than the Chief Justice or the President of the Court of Appeal, as provided for under the *Judicial Remuneration Act 2007*. The Chairperson's remuneration increased by 2% effective from 1 July 2017.

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

Chief Executive Officer (CEO) and Senior Executive Remuneration

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

For the 2017–18 year, the remuneration for senior executive personnel increased by 2.5% in accordance with government policy.

Remuneration expenses for key management personnel comprise the following components:

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

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

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 5: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions (cont'd)

(d) Remuneration Expenses (cont'd)

1 July 2017 – 30 June 2018*

Position	Contract classification and appointment authority	Monetary Expenses \$'000	Long-Term Employee Expenses \$'000	Post-Employment Expenses \$'000	Termination Benefits \$'000	Total Expenses \$'000
Chairperson ¹ – 1 September 2015 to current	<i>Crime and Corruption Act 2001</i>	471	10	5	—	486
Chief Executive Officer – 1 January 2016 to current	CEO, <i>Crime and Corruption Act 2001</i>	145	3	34	—	182
Acting Chief Executive Officer – 14 August 2017 to 29 August 2017; 7 October 2017 to 2 February 2018; 19 March 2018 to current	CEO, <i>Crime and Corruption Act 2001</i>	199	4	17	—	220
Senior Executive Officer, Corruption (previously Executive Director) – 3 October 2017 to current	SES4, <i>Crime and Corruption Act 2001</i>	193	4	22	—	219
Executive Director, Corruption – 15 September 2014 to 15 September 2017	SES4, <i>Crime and Corruption Act 2001</i>	62	2	6	48	118
Senior Executive Officer, Crime (previously Executive Director) – 3 July 2017 to current	SES4, <i>Crime and Corruption Act 2001</i>	250	5	28	—	283
Executive Director, Strategic and Corporate Services – 13 July 2015 to current	SES3, <i>Crime and Corruption Act 2001</i>	56	2	9	—	67
Acting Executive Director, Strategic and Corporate Services – 14 August 2017 to 2 February 2018	SES3, <i>Crime and Corruption Act 2001</i>	93	2	11	—	106
Executive Director, Operations Support – 22 January 2018 to current	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	75	1	12	—	88
Executive Director, Operations Support – 12 October 2015 to 19 January 2018	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	99	2	17	—	118
Director, Financial Investigations – 18 March 2013 to current	SES2, <i>Crime and Corruption Act 2001</i>	88	2	10	—	100
Acting Director, Financial Investigations – 21 August 2017 to 2 February 2018	SES2, <i>Crime and Corruption Act 2001</i>	81	2	11	—	94
Director, Legal Services – 26 April 2012 to current*	SES2, <i>Crime and Corruption Act 2001</i>	167	4	19	—	190
Director, Research and Policy – 17 February 2012 to current*	SES2, <i>Crime and Corruption Act 2001</i>	183	4	22	—	209
Director, Intelligence – 23 November 2012 to current	SO, <i>Crime and Corruption Act 2001</i>	139	3	18	—	160
Total Remuneration		2,301	50	241	48	2,640

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

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

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 5: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions (cont'd)

(d) Remuneration Expenses (cont'd)

1 July 2016 – 30 June 2017*

Position	Contract classification and appointment authority	Monetary Expenses \$'000	Long-Term Employee Expenses \$'000	Post-Employment Expenses \$'000	Termination Benefits \$'000	Total Expenses \$'000
Chairperson ¹ – 1 September 2015 to current	<i>Crime and Corruption Act 2001</i>	487	9	—	—	496
Chief Executive Officer – 1 January 2016 to current	CEO, <i>Crime and Corruption Act 2001</i>	300	6	32	—	338
Executive Director, Corruption – 15 September 2014 to 15 September 2017	SES4, <i>Crime and Corruption Act 2001</i>	249	5	26	—	280
Executive Director, Crime – 9 January 2012 to 30 June 2017	SES4, <i>Crime and Corruption Act 2001</i>	284	5	28	51	368
Executive Director, Strategic and Corporate Services – 13 July 2015 to current	SES3, <i>Crime and Corruption Act 2001</i>	241	5	23	—	269
Executive Director, Operations Support – 12 October 2015 to 19 January 2018	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	188	4	22	—	214
Director, Financial Investigations – 18 March 2013 to current	SES2, <i>Crime and Corruption Act 2001</i>	179	4	18	—	201
Director, Legal Services – 26 April 2012 to current	SES2, <i>Crime and Corruption Act 2001</i>	174	3	18	—	195
Director, Research and Policy – 17 February 2012 to current	SES2, <i>Crime and Corruption Act 2001</i>	189	4	20	—	213
Director, Intelligence – 23 November 2012 to current	SO, <i>Crime and Corruption Act 2001</i>	133	2	16	—	151
Total Remuneration		2,424	47	203	51	2,725

¹ The Chairperson also received a non-monetary motor vehicle benefit of \$20,514 during the financial year.

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

(e) Related Party Transactions

The CCC obtained related party declarations for each member of the Commission and key executive management personnel for the period 1 July 2017 to 30 June 2018. No related party transactions requiring disclosure per AASB 124 *Related Party Disclosures* were identified.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 6: Supplies and Services

	2018 \$'000	2017 \$'000
Operating Lease Rentals ¹	4,265	4,161
Information technology (IT) hardware and software maintenance	814	753
Software purchases	378	349
Consultants and contractors	2,273	1,248
Corporate service providers	333	128
Electricity	332	320
Furniture and equipment (non-asset)	455	959
Telecommunications and access costs	1,349	1,410
Legal costs	449	630
Building and equipment maintenance	305	342
Motor vehicle running costs	448	434
Operational expenses	377	512
Security	460	428
Travel	453	654
Other	573	454
Total	13,264	12,782

¹ A new operating lease agreement for Green Square office accommodation became effective from 4 July 2016 for a five (5) year term with an option to extend the lease for a further five (5) years. Refer to Note 12 and Note 15.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 7: Other Expenses

	2018 \$'000	2017 \$'000
External audit fees ¹	61	60
Insurance Premiums ²	31	29
Services received below fair value (see Note 2)	1,139	1,123
Losses – On disposal of property, plant and equipment	1	37
Special payments ³	–	8
Sundry expenses	26	18
Total	1,258	1,275

¹ Estimate of fees payable to Queensland Audit Office relating to the 2017–18 financial statements is \$61,000 (2017 fee: \$59,500).

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

³ Special payments include ex gratia expenditure and other expenditure that the CCC is not contractually or legally obligated to make to other parties. During the 2016-17 financial year the CCC reimbursed medical costs of \$6,945 to an employee who was hospitalised for an illness whilst attending a conference overseas on behalf of the CCC that was declined by the CCC travel insurance provider based on an exemption under their product disclosure statement.

Note 8: Cash and Cash Equivalents

Accounting Policy:

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

	2018 \$'000	2017 \$'000
Imprest accounts	8	15
Cash at bank	2,566	390
Term deposits	14,144	14,548
Total	16,718	14,953

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 9: Other Assets

Accounting Policy:

Prepayments – Prepayments relate to invoices paid in advance for goods and services yet to be received and where the value of the invoice is greater than or equal to \$5000.

	2018 \$'000	2017 \$'000
Current		
Prepayments	562	551
Rental security deposits	3	1
Total	565	552
Non-Current		
Prepayments	50	90
Rental security deposits	22	25
Total	72	115

The rental security deposits relate mainly to office accommodation. The deposit is refundable when the lease expires.

01

About
us

02

Crime and
corruption

03

Organisational
capability

04

Governance

05

Financial
information

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 10: Property, plant and equipment and Intangible Assets

Accounting Policy:

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

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

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

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

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

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

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

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

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

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

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

Plant and Equipment:

Motor Vehicles	2–5 years
Computer Equipment	3–10 years
General and Technical Equipment and Furniture	3–15 years
Leasehold Improvements	4–18 years

Intangible Assets:

Software	7–9 years
----------	-----------

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

The useful lives of plant and equipment and intangible assets were reviewed during the reporting period and adjusted where necessary.

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

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

Note 10A: Intangible Assets

	2018 \$'000	2017 \$'000
Software		
At cost	1,035	888
Less: Accumulated amortisation	(700)	(612)
Total	335	276

The CCC's software comprises of an Electronic Document and Records Management System (EDRMS), a new ICMS that is currently being developed, and a Web Content and Intranet Management System.

Intangibles Reconciliation

	Software Purchased		Software Work in Progress		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Carrying amount at 1 July	276	301	–	–	276	301
Acquisitions	–	57	147	–	147	57
Amortisation ¹	(88)	(82)	–	–	(88)	(82)
Carrying amount at 30 June	188	276	147	–	335	276

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

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 10B: Property, Plant and Equipment

	2018 \$'000	2017 \$'000
Motor vehicles:		
At cost	1,624	1,530
Less: Accumulated depreciation	(497)	(599)
	1,127	931
Computer equipment:		
At cost	3,435	3,620
Less: Accumulated depreciation	(2,823)	(2,587)
	612	1,033
General and technical equipment:		
At cost	1,950	1,703
Less: Accumulated depreciation	(1,097)	(1,107)
	853	596
Leasehold improvements:		
At cost	15,237	15,424
Less: Accumulated depreciation	(10,371)	(10,583)
	4,866	4,841
Work in Progress:		
At cost	1,604	58
Total	9,062	7,459

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017–18

Note 10: Property, plant and equipment and Intangible Assets (cont'd)

Note 10B: Property, Plant and Equipment (cont'd)

Property, Plant and Equipment Reconciliation

	Motor vehicles		Computer equipment		General and technical equipment		Leasehold improvements ¹		Work in progress		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Carrying amount at 1 July	931	876	1,033	1,537	596	784	4,841	5,525	58	–	7,459	8,722
Acquisitions	673	703	99	179	490	12	589	37	1,604	58	3,455	989
Disposals ³	(141)	(177)	(1)	(51)	(20)	–	(1)	–	–	–	(163)	(228)
Transfers between classes	–	–	–	–	–	–	58	–	(58)	–	–	–
Restoration cost adjustment ²	–	–	–	–	–	–	75	–	–	–	75	–
Depreciation ⁴	(336)	(471)	(519)	(632)	(213)	(200)	(696)	(721)	–	–	(1,764)	(2,024)
Carrying amount at 30 June	1,127	931	612	1,033	853	596	4,866	4,841	1,604	58	9,062	7,459

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

² Leasehold improvements include an amount of \$246,079 (2017: \$0.328M) for the estimate of restoration costs for leased premises which has been recognised as a provision. Refer to Note 12 and Note 15.

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

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

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017-18

Note 11: Payables

Accounting Policy:

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

	2018 \$'000	2017 \$'000
Contractual Payables		
Creditors	3,348	1,149
Queensland Police Service ¹	1,281	1,631
	4,629	2,780
Statutory Payables		
Payroll Tax	141	136
Superannuation	54	–
FBT and Pay-as-you-go	45	55
	240	191
Total	4,869	2,971

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

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017-18

Note 12: Lease Liabilities

Accounting Policy:

Lease recognition – A distinction is made between finance and operating leases. Finance leases effectively transfer all risks and benefits of ownership to the lessee. Under an operating lease, the lessor retains substantially all the risks and benefits. The CCC has operating leases for office accommodation and no finance leases.

Lease measurement – Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred using a straight line basis over the period of the lease even if the payments are not on that basis. Differences between lease expense and payments made are recorded as a deferred lease liability, which is extinguished upon expiration of the lease.

Incentives received on entering into operating leases are recognised as a liability. The liability is progressively extinguished through a reduction in rental expense over the lease term on a straight line basis

Current

Lease incentive liability

Total

Non-Current

Lease incentive liability

Deferred lease liability

Total

2018 \$'000	2017 \$'000
26	26
26	26
24	50
458	302
482	352

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017-18

Note 13: Unearned Revenue

	2018 \$'000	2017 \$'000
Grant revenue ¹	700	—
Car parking revenue	13	13
Total	713	13

¹ Due to a longer than expected tender evaluation process for the new ICMS, a proportion of current year operational funding associated with the project has been deferred to the 2018-19 financial year. This transaction has been similarly reflected in the CCC's published 2018-19 Service Delivery Statement.

Note 14: Accrued Employee Benefits

	2018 \$'000	2017 \$'000
Wages outstanding	792	945
Annual leave entitlements	2,252	2,258
Long service leave levy payable	171	125
Total	3,215	3,328

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017-18

Note 15: Provisions

Accounting Policy:

Recognition and Measurement – Provisions are recorded when the CCC has a present obligation, either legal or constructive, as a result of a past event, and the amount of the provision can be reliably measured. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period.

The provision for restoration costs relate to clauses in lease agreements for office accommodation which require the CCC to restore the leased premises to their original condition. As the settlement of the obligation is expected after 12 or more months, the provision has been discounted to reflect the present value of these obligations using a rate that reflects current market assessments and risks specific to the liability. The finance costs relate to unwinding of the discount on the provision.

	2018 \$'000	2017 \$'000
Restoration costs	246	328
Total	246	328
	2018 \$'000	2017 \$'000
Movements in provisions		
Restoration Costs		
Balance at 1 July	328	322
Additional provision made	75	–
Provision utilised through payments / derecognition	(162)	
Finance Costs	5	6
Balance at 30 June	246	328

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017-18

Note 16: Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	2018	2017
	\$'000	\$'000
Operating result from continuing operations	407	(22)
Depreciation and amortisation expense	1,852	2,105
Losses on disposal of property, plant and equipment	1	37
Gains on disposal of property, plant and equipment	(123)	(83)
Other Revenue	(133)	–
Finance costs	5	6
Change in asset and liabilities:		
(Increase)/decrease in other receivables	(56)	44
(Increase)/decrease in GST input tax receivable	(132)	80
(Increase)/decrease in long service leave reimbursement receivable	(93)	106
(Increase)/decrease in interest receivable	39	30
(Increase)/decrease in prepayments	30	(43)
Increase/(decrease) in accounts payable	1,898	(492)
Increase/(decrease) in accrued employee benefits	(113)	357
Increase/(decrease) in GST payable	(1)	4
Increase/(decrease) in unearned revenue	700	10
Increase/(decrease) in provision	(27)	–
Increase/(decrease) in lease liability	130	353
Net Cash Provided by operating activities	4,384	2,492

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017-18

Note 17: Commitments for Expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the statement of financial position. Commitments at reporting date are disclosed at their nominal value inclusive of anticipated GST and are payable as follows:

	Operating Leases ¹		Vehicle Leases		Capital Expenditure		Other Expenditure		Total Commitments	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Not later than one year	4,196	4,006	140	100	239	103	1,197	1,282	5,772	5,491
Later than one year and not later than five years	8,456	12,652	189	66	–	–	1,198	1,387	9,843	14,105
Later than five years	–	–	–	–	–	–	–	–	–	–
Total	12,652	16,658	329	166	239	103	2,395	2,669	15,615	19,596

¹ Operating leases for office accommodation are non-cancellable and have a renewal option that is exercisable at market prices. Lease payments are generally fixed, and no lease arrangements create restrictions on other financing transactions.

Note 18: Contingencies

Accounting Policy:

Recognition – Contingent assets and liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Litigation in progress

As at 30 June 2018, twelve (12) cases were ongoing before various courts, naming the CCC as either an applicant or respondent:

	2018 Number of cases	2017 Number of cases
Court of Appeal/High Court	1	3
Supreme Court	2	3
Queensland Civil and Administrative Tribunal (QCAT)	9	7
Total	12	13

It is not possible to make a reliable estimate of the final costs, if any, that could be recovered or payable from these cases at this time.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017-18

Note 19: Financial Instruments

Accounting Policy:

Recognition –

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the CCC becomes party to the contractual provisions of the financial instrument.

Classification and Measurement – Financial instruments are classified and measured as follows:

Financial Assets:

Cash and cash equivalents – held at fair value through profit and loss

Receivables – held at amortised cost

Financial Liabilities:

Payables – held at amortised cost

(a) Categorisation of Financial Instruments

The CCC has the following categories of financial assets and financial liabilities:

	Note	2018 \$'000	2017 \$'000
Financial assets			
Cash and cash equivalents	8	16,718	14,953
Contractual receivables		330	220
Total		17,048	15,173
Financial liabilities			
Contractual payables	11	4,629	2,780
Total		4,629	2,780

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017-18

Note 19: Financial Instruments (cont'd)

(b) Financial Risk Management

The CCC's activities expose it to a variety of financial risks — interest rate risk, credit risk, liquidity risk and market risk. The CCC provides written principles for overall risk management as well as policies covering specific areas. These policies focus on the financial performance of the CCC. All financial risk is managed by the Strategic and Corporate Services Division under policies approved by the Commission.

Credit Risk Exposure

Credit risk exposure refers to the situation where the CCC may incur financial loss as a result of another party to a financial instrument failing to discharge its obligation. The CCC monitors exposure to credit risk on an ongoing basis.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment. The CCC manages credit risk by ensuring that it invests in secure assets and monitors all funds owed on a regular basis.

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

<i>Category:</i>	Maximum Exposure to Credit Risk	Note	2018	2017
			\$'000	\$'000
Financial Assets				
Cash and cash equivalents		8	16,710	14,938
Contractual receivables			330	220
Total			17,040	15,158

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired.

The CCC did not have any financial assets that were past due but not impaired in the current or previous period.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017-18

Note 19: Financial Instruments (cont'd)

(b) Financial Risk Management (cont'd)

Liquidity Risk

Liquidity risk refers to the situation where the CCC may encounter difficulty in meeting obligations associated with these financial liabilities that are settled by delivering cash or another financial asset.

The CCC manages liquidity risk by ensuring the CCC has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that sufficient levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the CCC.

		Payable in							
	Note	< 1 year		1–5 years		> 5 years		Total	
		2018	2017	2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities									
Contractual Payables	11	4,629	2,780	–	–	–	–	4,629	2,780
Total		4,629	2,780	–	–	–	–	4,629	2,780

Market Risk

Market risks refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The CCC does not trade in foreign currency. It manages price risk and interest rate risk through its liquidity management strategy and by ensuring that expenditure is within funding levels.

Exposure to interest rate risk is limited to cash assets bearing variable interest rates. The CCC minimises risk by investing in secure short-term investments, mainly fixed deposits, in accordance with Part 6 of the *Statutory Bodies Financial Arrangements Act 1982*.

(c) Fair Value

The fair value of receivables and payables is the transaction cost or the face value. The CCC considers that the carrying amount of receivables and payables represent fair value at the balance date because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017-18

Note 20: Trust Transactions and Balances

Operational Activities

The CCC undertakes certain trustee transactions on behalf of individuals as a result of operational activities. As the CCC acts only in a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed separately under this note.

At 30 June 2018, the CCC held \$81,540.70 (2017: \$41,920.70) in trust for a number of benefactors as a result of operational activities. The Queensland Audit Office performed a review of the CCC's trust transactions for operational activities for 2017-18 as part of the 2017-18 external audit of the CCC.

Note 21: Explanation of Major Variances

Note 21A: Explanation of Major Variances – Statement of Comprehensive Income

<i>Grants and other contributions:</i>	The increase is mainly due to an equity to output swap of \$1.339m in relation to the development of the new ICMS partially offset by a \$0.407m reprioritisation adjustment that was returned to Treasury resulting from the 2017-18 Mid-Year Fiscal and Economic Review (MYFER) process.
<i>Other revenue:</i>	The increase is mainly due to cost savings in make good costs associated with an old accommodation lease of \$0.133m and the receipt of \$0.164m from ICAC for the CCC's entitlement in connection with the 2017 APSACC. (Refer to Note 3)
<i>Employee expenses:</i>	The decrease is mainly due to the use of contractors to backfill vacant positions temporarily. (Refer to Note 6)
<i>Supplies and services:</i>	The increase is mainly due to an equity to output swap of \$1.339m in relation to the development of the new ICMS coupled with a higher use of contractors than was budgeted to backfill positions temporarily.
<i>Depreciation and amortisation:</i>	The decrease is due to a smaller capital program than was budgeted.

Note 21B: Explanation of Major Variances – Statement of Financial Position

<i>Cash and cash equivalents:</i>	The increase in cash assets is mainly due to a lower level of capital spend of \$4.478m during 2017-18 than was budgeted.
<i>Intangible assets:</i>	The decrease in intangibles is mainly due to a longer than expected tender evaluation process for the new ICMS thus resulting in deferral of expenditure to 2018-19.
<i>Payables:</i>	The increase in payables is mainly due to \$1.6m in ICT capital spend close to balance date. (Refer to Note 10)
<i>Accrued employee benefits:</i>	The decrease is mainly due to a lower level of salaries and wages owing at 30 June 2018 resulting from the cut-off of the year end payroll.
<i>Other liabilities:</i>	The increase is mainly due to the deferral of \$0.7m in operational funding for the new ICMS to the 2018-19 financial year.
<i>Total equity:</i>	The decrease is mainly due to the deferral of \$1.598m in equity injections for the new ICMS to 2018-19 and a change in expenditure classification of \$1.339m from capital to operating in connection with the new ICMS.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2017-18

Note 21C: Explanation of Major Variances – Statement of Cash Flows

<i>Grants and other contributions:</i>	The increase is mainly due to an equity to output swap of \$1.339m in relation to the development of the new ICMS partially offset by a \$0.407m reprioritisation adjustment that was returned to Treasury resulting from the 2017-18 MYFER process.
<i>Payments for intangibles and property, plant and equipment:</i>	The decrease is due to deferrals of IT infrastructure replacement of \$1m and the new ICMS development costs from 2017-18 to 2018-19.
<i>Equity injections:</i>	The decrease in equity injections is due to a longer than expected tender evaluation process for the new ICMS and a change in expenditure classification from capital to operating of \$1.339m in connection with the new ICMS.

CRIME AND CORRUPTION COMMISSION

Certificate of the Crime and Corruption Commission

These general purpose financial statements have been prepared pursuant to Section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with Section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the CCC for the financial year ended 30 June 2018 and of the financial position of the CCC at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material aspects, with respect to financial reporting throughout the reporting period.



Alan MacSporran QC
Chairperson
Crime and Corruption Commission

Date: 21 August 2018



Jen O'Farrell
Acting Chief Executive Officer
Crime and Corruption Commission

Date: 21 August 2018



Richard Bosanquet CPA
Chief Finance Officer
Crime and Corruption Commission

Date: 21 August 2018

01

About
us

02

Crime and
corruption

03

Organisational
capability

04

Governance

05

Financial
information



INDEPENDENT AUDITOR'S REPORT

To the Chairperson of the Crime and Corruption Commission

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Crime and Corruption Commission.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2018, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Responsibilities of the entity for the financial report

The Commission is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Commission determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Commission is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commission regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

22 August 2018

John Welsh
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Index of terms

See also Index of Legislation

- Attorney-General and Minister for Justice 4, 7, 81
- Australian Commission for Law Enforcement Integrity 7
- Australian Criminal Intelligence Commission (ACIC) 7, 20
- Australian Institute of Company Directors 48, 50, 58
- cocaine 19, 20, 23
- complaints 8, 11, 12, 15, 26, 27, 29, 31, 32, 33, 36, 38, 45, 50, 60, 61
- Corruption and Crime Commission (WA) 7
- Crime and Corruption Commission
 - 1CCC 10, 13, 40, 41, 43, 44, 55, 57
 - Chairperson (role) 48, 49, 56, 58, 59, 60, 61, 62, 63, 64, 74, 81, 82, 83, 84
 - MacSporran, Alan QC (CCC Chairperson) 8-9, 34, 48, 49, 59
 - Chief Executive Officer (role) 9, 10, 48, 49, 50, 51, 53, 58, 59, 60, 61, 69, 81, 82, 83, 84
 - O'Farrell, Jen (Acting CEO) 9, 10, 49, 50, 59
 - Smith, Forbes (CEO) 9, 49, 59
- Commission, the 48, 49, 51, 52, 56, 57, 58, 59, 73, 81
- Commissioners
 - Williams, Sydney (Deputy Chairperson) 48, 49, 81
 - Holliday, Deborah (Commissioner) 48, 49, 81
 - Irwin, Marshall (Commissioner) 48, 49, 81
 - Tiernan, Anne, Professor (Commissioner) 48, 49, 81
- Executive Leadership Team 44, 50-51, 57
- financial information 6, 63-102
- governance 13, 48-62
- history 6
- HR and staffing 6, 9, 10, 13, 16, 40-44, 52-56
- internal audit 57, 58, 59, 66
- internal controls 57, 58, 66
- organisational structure 56
- powers 6, 7, 9, 18, 24, 48, 58, 61, 62
- Reconciliation Action Plan (RAP) 16, 34
- recordkeeping 60
- risk 57-59, 66
- Service Delivery Statement (SDS) 14
- strategic plan 8, 11, 12, 38, 44, 54
- values 2, 40, 41, 43, 54, 55, 57
- vision 2, 9, 41, 57
- drugs 3, 18-21, 22, 62
- Electoral Commission Queensland 36
- Fitzgerald Inquiry (1987-89) 6, 48
- fraud 8, 11, 12, 22, 24-25, 30, 35
- hearings 3, 6, 11, 22, 38, 44, 46, 49, 60, 61, 64
 - public 8, 9, 12, 36; local government (Operation Belcarra) 36; corrections (Taskforce Flaxton) 8, 12, 37
 - coercive 9, 19, 23, 24, 25
 - intelligence 20, 22
- Independent Broad-based Anti-corruption Commission (Vic) 7
- Independent Commission Against Corruption (NSW) 7, 35, 50
- Independent Commissioner Against Corruption (SA) 7
- Information Commissioner 34
- Integrity Commission (Tasmania) 7
- intelligence 6, 7, 11, 12, 18, 22, 23, 24, 28, 32, 35, 44, 50, 61, 62, 64
- investigations 3, 7, 9, 10, 11, 12, 14, 15, 18, 31, 35, 38, 44, 45, 49, 51, 61, 62
 - corruption 26-30
 - crime 18-19, 20, 22-23, 24-25
 - Operation Belcarra 3, 8, 12, 14, 32, 36, 38
- Operation Maduro 19
- Operation Octanda 25
- Taskforce Flaxton 8, 12, 16, 26, 37, 46
- Law Enforcement Conduct Commission 7
- local government 8, 12, 14, 30, 33, 35, 36, 38
- NAIDOC 13, 42
- New South Wales Crime Commission 12
- Office of Public Integrity (SA) 12
- Office of the Director of Public Prosecutions (Qld) 12, 17
- OMCGs — see outlaw motorcycle gang
- organised crime 6, 9, 11, 12, 18-24
- outlaw motorcycle gangs 9, 11, 10, 22-23
- paedophilia 6, 12, 14
- Parliamentary Crime and Corruption Commissioner 7, 61, 62
- Parliamentary Crime and Corruption Committee 7, 61, 66
- PCCC — see Parliamentary Crime and Corruption Committee
- Police see Queensland Police Service
- prevention 6, 8, 11, 12, 14, 21, 27, 29, 30, 32-35
- proceeds of crime 6, 11, 12, 18, 12, 32, 62
- public hearings — see hearings
- Public Interest Monitor 61
- Public Service Commission 40, 54
- publications and reports 8, 12, 16, 20, 22, 23, 24, 26, 32-33, 35, 36, 37, 38, 61, 62
- Queensland Audit Office (QAO) 58, 59, 66, 67
- Queensland Police Service (QPS) 7, 8, 11, 26, 28, 31, 32, 34, 35, 38, 50, 52, 53, 54
 - Commissioner of Police 62
 - Police discipline system 8, 11, 31
 - use of force by police officers 26-27
- witness protection 4, 6, 44, 50, 62

Index of legislation

Crime and Corruption Act 2001 6, 32, 49, 61, 68, 82

Evidence Act 1977 62

Financial Accountability Act 2009 4, 57, 59, 66, 68

Financial Arrangements Act 1982 84

Local Government Electoral Act 2011 31, 32

*Local Government Electoral (Implementing Stage 1 of Belcarra)
and Other Legislation Amendment Bill 2018* 8, 36

Police Powers and Responsibilities Act 2000 61

Public Records Act 2002 6

Public Sector Ethics Act 1994 54

Telecommunications Interception Act 2009 (Qld) 61

Terrorism (Preventative Detention) Act 2005 12, 16, 38

Work Health and Safety Act 2011 55

Contact details

✉ Crime and Corruption Commission
GPO Box 3123, Brisbane QLD 4001

Level 2, North Tower Green Square
515 St Pauls Terrace, Fortitude Valley
QLD 4006

☎ 07 3360 6060 or
Toll-free 1800 061 611
(in Queensland outside Brisbane)

📠 07 3360 6333

More information

🌐 www.ccc.qld.gov.au

@ mailbox@ccc.qld.gov.au

🐦 @CCC_QLD

📘 /CrimeandCorruptionCommission

📢 CCC email updates
www.ccc.qld.gov.au/subscribe

This report is available at www.ccc.qld.gov.au/annualreport.

ISSN: 2205-5991 (Online)

© The State of Queensland (Crime and Corruption Commission) (CCC) 2018

You must keep intact the copyright notice and attribute the State of Queensland, Crime and Corruption Commission as the source of the publication.

The Queensland Government supports and encourages the dissemination and exchange of its information. The copyright in this publication is licensed under a Creative Commons Attribution (BY) 4.0 Australia licence. To view this licence visit <http://creativecommons.org/licenses/by/4.0/>.



Under this licence you are free, without having to seek permission from the CCC, to use this publication in accordance with the licence terms. For permissions beyond the scope of this licence contact: mailbox@ccc.qld.gov.au

Disclaimer of Liability

While every effort is made to ensure that accurate information is disseminated through this medium, the Crime and Corruption Commission makes no representation about the content and suitability of this information for any purpose. The information provided is only intended only to increase awareness and provide general information on the topic. It does not constitute legal advice. The Crime and Corruption Commission does not accept responsibility for any actions undertaken based on the information contained herein.



Crime and Corruption Commission
QUEENSLAND