Crime and Corruption Commission

**Financial Statements  
for the year ended  
30 June 2019**

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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 statements.

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>.

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

*The accompanying notes form part of these statements.*

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

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

*The accompanying notes form part of these statements.*

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

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
|  | **Accumulated Surplus**  **$’000** | **Contributed Equity**  **$’000** | **TOTAL**  **$’000** |
|  |  |  |  |
| **Balance as at 1 July 2017** | **4,566** | **12,221** | **16,787** |
|  |  |  |  |
| Operating result from continuing operations | 407 | – | **407** |
| *Transactions with Owners as Owners:*   * Non appropriated equity injection¹ | – | 700 | **700** |
|  |  |  |  |
| **Balance as at 30 June 2018** | **4,973** | **12,921** | **17,894** |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Accumulated Surplus**  **$’000** | **Contributed Equity**  **$’000** | **TOTAL**  **$’000** |
|  |  |  |  |
| **Balance as at 1 July 2018** | **4,973** | **12,921** | **17,894** |
|  |  |  |  |
| Operating result from continuing operations | 216 | – | **216** |
| *Transactions with Owners as Owners:*   * Non appropriated equity injection¹ | – | 315 | **315** |
|  |  |  |  |
| **Balance as at 30 June 2019** | **5,189** | **13,236** | **18,425** |
|  |  |  |  |

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

*The accompanying notes form part of these statements.*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | **Notes** | | **Actual** | **Original**  **Budget** | | **Budget** | **Actual** | |
|  | | |  | | **2019** | **2019** | | **Variance\*** | **2018** | |
|  | | |  | | **$’000** | **$’000** | | **$’000** | **$’000** | |
| **Cash flows from operating activities** | | |  | |  |  | |  |  | |
|  | | |  | |  |  | |  |  | |
| ***Inflows*** | | |  | |  |  | |  |  | |
| Grants and other contributions | | |  | | 56,842 | 60,452 | | (3,610) | 55,013 | |
| Interest receipts | | |  | | 494 | 425 | | 69 | 491 | |
| GST input tax credits from ATO | | |  | | 1,761 | 1,166 | | 595 | 1,445 | |
| GST collected from customers | | |  | | 47 | – | | 47 | 45 | |
| Other | | |  | | 154 | 102 | | 52 | 210 | |
|  | | |  | |  |  | |  |  | |
| ***Outflows*** | | |  | |  |  | |  |  | |
| Employee expenses | | |  | | (44,607) | (46,724) | | 2,117 | (40,599) | |
| Supplies and services | | |  | | (15,193) | (14,767) | | (426) | (10,481) | |
| GST paid to suppliers | | |  | | (1,695) | (1,143) | | (552) | (1,576) | |
| GST remitted to ATO | | |  | | (51) | (28) | | (23) | (46) | |
| Other | | |  | | (146) | (132) | | (14) | (118) | |
| **Net cash provided by/(used in) operating activities** | | | 13 | | **(2,394)** | **(649)** | | **(1,745)** | **4,384** | |
|  | | |  | |  |  | |  |  | |
| **Cash flows from investing activities** | | |  | |  |  | |  |  | |
|  | | |  | |  |  | |  |  | |
| ***Inflows*** | | |  | |  |  | |  |  | |
| Sales of property, plant and equipment | | |  | | 273 | 244 | | 29 | 282 | |
|  | | |  | |  |  | |  |  | |
| ***Outflows*** | | |  | |  |  | |  |  | |
| Payments for Intangibles | | |  | | (1,028) | (1,691) | | 663 | (147) | |
| Payments for property, plant and equipment | | |  | | (1,825) | (4,748) | | 2,923 | (3,454) | |
| **Net cash provided by/(used in) investing activities** | | |  | | **(2,580)** | **(6,195)** | | **3,615** | **(3,319)** | |
| **Cash flows from financing activities** | | |  | |  |  | |  |  | |
| ***Inflows*** | | |  | |  |  | |  |  | |
| Equity injection | | |  | | 315 | 2,893 | | (2,578) | 700 | |
|  | | |  | |  |  | |  |  | |
| **Net cash provided by/(used in) financing activities** | | |  | | **315** | **2,893** | | (2,578) | **700** | |
|  | | |  | |  |  | |  |  | |
| Net increase (decrease) in cash and cash equivalents | | |  | | (4,659) | (3,951) | | (708) | 1,765 | |
| Cash and cash equivalents at beginning of period | | |  | | 16,718 | 14,289 | | 2,429 | 14,953 | |
|  | | |  | |  |  | |  |  | |
| **Cash and cash equivalents at end of period** | | | 7 | | **12,059** | **10,338** | | **1,721** | **16,718** | |
|  |  |  | |  | | |  | | |

*The accompanying notes form part of these statements.*

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

Objectives of the Crime and Corruption Commission

**Note 1** Summary of Significant Accounting Policies

**Note 2** Grants and Other Contributions

**Note 3** Employee Expenses

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

**Note 5** Supplies and Services

**Note 6** Other Expenses

**Note 7** Cash and Cash Equivalents

**Note 8** Property, plant and equipment and Intangible Assets

**Note 9** Payables

**Note 10** Lease Liabilities

**Note 11** Accrued Employee Benefits

**Note 12** Provisions

**Note 13** Reconciliation of Operating Result to Net Cash Provided by Operating Activities

**Note 14** Commitments for Expenditure

**Note 15** Contingencies

**Note 16** Financial Instruments

**Note 17** Trust Transactions and Balances

**Note 18** Explanation of Major Variances

**Objectives of the Crime and Corruption Commission (CCC)**

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

Note 1: Summary of Significant Accounting Policies

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

(a) Statement of Compliance

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

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

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

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

(b) The Reporting Entity

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

(c) Other Presentation Matters

***Currency and rounding***

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

***Comparatives***

Comparative information has not been restated.

***Current/Non-Current Classification***

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

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

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

(d) Issuance of Financial Statements

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

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

(e) Taxation

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

(f) Receivables

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

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

(g) Accounting Estimates and Judgments

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

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

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

(h) Future Impact of Accounting Standards Not Yet Effective

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

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

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

*Capital Appropriation Funding*

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

*Grant Revenue*

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

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

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

***AASB 16 Leases***

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

*Impact for Lessees*

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

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

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

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

*Outcome of review as lessee*

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

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

The CCC has also been advised by Queensland Treasury and DHPW that, effective 1 July 2019, motor vehicles

provided under DHPW’s QFleet program will be exempt from lease accounting under AASB 16. This is due to DHPW holding substantive substitution rights for vehicles provided under the scheme. From 2019-20 onward, costs for these services will continue to be expensed as supplies and services expense when incurred. Existing QFleet leases were not previously included as part of non-cancellable operating lease commitments.

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

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

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

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

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

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

**Changes in accounting policies -AASB 9 *Financial Instruments***

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

*Classification and measurement*

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

Note 2: Grants and Other Contributions

|  |
| --- |
| Accounting Policy:  ***Government Grants*** *–* Government grants are non-reciprocal in nature and are recognised as revenue in the year in which the CCC obtains control over them or the right to receive them.  ***Other Contributions – Services Received Below Fair Value*** *–* The CCC recognises contributions of services only if the services would have been purchased had they not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense. |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **2019**  **$’000** |  | **2018**  **$’000** |
| **Grants** |  |  |  |  |  |
| Queensland Government grant¹ |  |  | 57,542 |  | 55,013 |
|  | | |  |  |  |
| **Other Contributions – Services Received Below Fair Value** | | |  |  |  |
| Archival storage services from Department of Housing and Public Works (DPW) | | | 143 |  | 197 |
| Employee costs for police secondments from Queensland Police Service (QPS)² | |  | 970 |  | 942 |
|  |  |  | 1,113 |  | 1,139 |
|  |  |  |  |  |  |
| **Total** |  |  | **58,655** |  | **56,152** |
|  |  |  |  |  |  |

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

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

Note 3: Employee Expenses

|  |
| --- |
| Accounting Policy:  ***Wages, Salaries and Sick Leave*** *–* Salaries and wages due but unpaid at reporting date are recognised as a liability in the Statement of Financial Position. As the CCC expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts. Also refer to Note 11.  Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees, and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.  ***Annual Leave* –** The CCC became a member of the Annual Leave Central Scheme (ALCS) starting 1 July 2018. Under this scheme, a levy is made on the CCC to cover the cost of employees’ annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears. Also refer to Note 11.  ***Long Service Leave –*** Under the Queensland Government’s long service leave central scheme, a levy is applied on the CCC  to cover the cost of employees’ long service leave. Levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears. Also refer to Note 11.  No provision for long service leave is recognised in the CCC’s financial statements, the liability being held on a whole-of-government basis and reported in those financial statements, pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting.*  ***Superannuation –*** Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government’s QSuper defined benefit plan as determined by the employee’s conditions of employment. Also refer to Note 9.  *Defined Contribution Plans* - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee’s service each pay period.  *Defined Benefit Plan* - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the CCC at the specified rate following completion of the employee’s service each pay period. The CCC’s obligations are limited to those contributions paid. |

Note 3: Employee Expenses (cont’d)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2019** |  | **2018** |
|  |  | **$’000** |  | **$’000** |
| **Employee Benefits** |  |  |  |  |
| Wages and salaries |  | 32,497 |  | 31,256 |
| Annual leave levy/expense |  | 2,243 |  | 1,737 |
| Long service leave levy/expense |  | 711 |  | 717 |
| Employer superannuation contributions |  | 4,219 |  | 4,217 |
| Termination benefits |  | – |  | 49 |
| Other employee benefits |  | 130 |  | 169 |
|  |  |  |  |  |
| **Employee Related Expenses** |  |  |  |  |
| Workers’ compensation premium |  | 294 |  | 262 |
| Payroll tax |  | 1,365 |  | 1,358 |
| Other employee related expenses |  | 732 |  | 577 |
| **Total** |  | **42,191** |  | **40,342** |
|  |  |  |  |  |
| The number of employees including both full-time employees and  part-time employees, measured on a full-time equivalent basis is: |  | **2019** |  | **2018** |
|  |  |  |  |  |
| Number of employees¹ |  | 340 |  | 334 |

1 As at 30 June 2019 it includes 79 (2018: 76) police FTE positions seconded from the QPS and paid for by the CCC.

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

(a) The Commission

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

(b) Chief Executive Officer (CEO)

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

(c) Key Management Personnel

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

(d) Remuneration Expenses

Part-time Ordinary Commissioners’ Remuneration

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

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

|  |
| --- |
| \* Remuneration expenses include costs in relation to acting arrangements established during the year.  Note 4: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions (cont’d) |

(d) Remuneration Expenses (cont’d)

Chairperson Remuneration

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

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

Chief Executive Officer (CEO) and Senior Executive Remuneration

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

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

Remuneration expenses for key management personnel comprise the following components:

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

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

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

(d) Remuneration Expenses (cont’d)

**1 July 2018 – 30 June 2019**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Position** | **Contract classification and appointment authority** | **Monetary Expenses**  **$’000** | **Long-Term Employee Expenses**  **$’000** | **Post-Employment Expenses**  **$’000** | **Termination Benefits $’000** | **Total Expenses**  **$’000** |
| Chairperson¹ – 1 September 2015 to current | Crime *and Corruption Act 2001* | 494 | 10 | – | – | 504 |
| Chief Executive Officer – 1 January 2016 to 23 July 2018 | CEO, *Crime and Corruption Act 2001* | 4 | – | 2 | – | 6 |
| Chief Executive Officer² – 24 August 2018 to current | CEO, *Crime and Corruption Act 2001* | 311 | 6 | 28 | – | 345 |
| Senior Executive Officer, Corruption (previously Executive Director) – 3 October 2017 to current | SES4, *Crime and Corruption Act 2001* | 230 | 5 | 26 | – | 261 |
| Senior Executive Officer, Crime (previously Executive Director) – 3 July 2017 to current\* | SES4, *Crime and Corruption Act 2001* | 253 | 5 | 28 | – | 286 |
| Executive Director, Corporate Services (previously Executive Director, Strategic and Corporate Services) – 5 November 2018 to current³ | SES3, *Crime and Corruption Act 2001* | 87 | 2 | 10 | – | 99 |
| Acting Executive Director, Strategic and Corporate Services – 24 August 2018 to 2 November 2018 | SES3, *Crime and Corruption Act 2001* | 42 | 1 | 4 | – | 47 |
| Executive Director, Operations Support⁴ – 22 January 2018 to current | Chief Superintendent, *Crime and Corruption Act 2001* | 176 | 3 | 31 | – | 210 |
| Acting Executive Director, Strategy Innovation and Insights – 1 April 2019 to current³ | SES3, *Crime and Corruption Act 2001* | 50 | 1 | 6 | – | 57 |
| Director, Financial Investigations – 18 March 2013 to 17 August 2018 | SES2, *Crime and Corruption Act 2001* | 29 |  | 2 | – | 31 |
| Acting Director, Financial Investigations – 13 August 2018 to 31 May 2019 | SES2, *Crime and Corruption Act 2001* | 163 | 3 | 16 | – | 182 |
| Director, Legal Services – 26 April 2012 to current\* | SES2, *Crime and Corruption Act 2001* | 168 | 3 | 19 | – | 190 |
| Director, Research and Policy – 17 February 2012 to current\* | SES2, *Crime and Corruption Act 2001* | 193 | 4 | 20 | – | 217 |
| Director, Intelligence – 23 November 2012 to current | SO, *Crime and Corruption Act 2001* | 128 | 3 | 16 | – | 147 |
| **Total Remuneration** |  | **2,328** | **46** | **208** | – | **2,582** |

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

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

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

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

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

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

(d) Remuneration Expenses (cont’d)

**1 July 2017 – 30 June 2018**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Position** | **Contract classification and appointment authority** | **Monetary Expenses**  **$’000** | **Long-Term Employee Expenses**  **$’000** | **Post-Employment Expenses**  **$’000** | **Termination Benefits $’000** | **Total Expenses**  **$’000** |
| Chairperson¹ – 1 September 2015 to current | Crime *and Corruption Act 2001* | 471 | 10 | – | – | 481 |
| Chief Executive Officer – 1 January 2016 to current | CEO, *Crime and Corruption Act 2001* | 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, *Crime and Corruption Act 2001* | 199 | 4 | 17 | – | 220 |
| Senior Executive Officer, Corruption (previously Executive Director) – 3 October 2017 to current | SES4, *Crime and Corruption Act 2001* | 193 | 4 | 22 | – | 219 |
| Executive Director, Corruption – 15 September 2014 to 15 September 2017 | SES4, *Crime and Corruption Act 2001* | 62 | 2 | 6 | 48 | 118 |
| Senior Executive Officer, Crime (previously Executive Director) – 3 July 2017 to current | SES4, *Crime and Corruption Act 2001* | 250 | 5 | 28 | – | 283 |
| Executive Director, Strategic and Corporate Services – 13 July 2015 to current | SES3, *Crime and Corruption Act 2001* | 56 | 2 | 9 | – | 67 |
| Acting Executive Director, Strategic and Corporate Services – 14 August 2017 to 2 February 2018 | SES3, *Crime and Corruption Act 2001* | 93 | 2 | 11 | – | 106 |
| Executive Director, Operations Support – 22 January 2018 to current | Chief Superintendent, *Crime and Corruption Act 2001* | 75 | 1 | 12 | – | 88 |
| Executive Director, Operations Support – 12 October 2015 to 19 January 2018 | Chief Superintendent, *Crime and Corruption Act 2001* | 99 | 2 | 17 | – | 118 |
| Director, Financial Investigations – 18 March 2013 to current | SES2, *Crime and Corruption Act 2001* | 88 | 2 | 10 | – | 100 |
| Acting Director, Financial Investigations – 21 August 2017 to 2 February 2018 | SES2, *Crime and Corruption Act 2001* | 81 | 2 | 11 | – | 94 |
| Director, Legal Services – 26 April 2012 to current\* | SES2, *Crime and Corruption Act 2001* | 167 | 4 | 19 | – | 190 |
| Director, Research and Policy – 17 February 2012 to current\* | SES2, *Crime and Corruption Act 2001* | 183 | 4 | 22 | – | 209 |
| Director, Intelligence – 23 November 2012 to current | SO, *Crime and Corruption Act 2001* | 139 | 3 | 18 | – | 160 |
| **Total Remuneration** |  | **2,301** | **50** | **236** | **48** | **2,635** |

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

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

(e) Related Party Transactions

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

Note 5: Supplies and Services

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

Note 6: Other Expenses

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2019** |  | **2018** |
|  |  | **$’000** |  | **$’000** |
|  |  |  |  |  |
| External audit fees¹ |  | 63 |  | 61 |
| Insurance Premiums² |  | 27 |  | 31 |
| Services received below fair value (see Note 2) |  | 1,113 |  | 1,139 |
| Losses – On disposal of property, plant and equipment |  | 83 |  | 1 |
| Special payments³ |  | 11 |  | - |
| Sundry expenses |  | 36 |  | 26 |
| **Total** |  | **1,333** |  | **1,258** |
|  | | | | |

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

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

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

Note 7: 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. |

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

Note 8: Property, plant and equipment and Intangible Assets

|  |
| --- |
| Accounting Policy:  ***Recognition –*** The CCC only recognises assets in the Statement of Financial Position where their initial acquisition costs exceed a set monetary threshold with assets below this value being expensed:  Plant and Equipment $5,000  Intangible Assets $100,000  Items comprising the CCC’s technical library are expensed on acquisition.  ***Cost of Acquisition*** – All assets are initially recorded at their purchase price plus any costs incurred that are directly attributable to bringing the asset to the location and condition necessary for it to be able to operate as intended.  This includes direct costs associated with the design and implementation of software.  Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised, and the new depreciable amount is depreciated over the remaining useful life of the asset to the CCC. Routine repair and maintenance costs, minor renewal costs and costs of training staff in the use of the asset are not included in the cost of acquisition,  but instead are expensed when incurred.  ***Measurement*** – The CCC uses the historical cost model to measure all assets after they are recognised, which means that assets are carried at their acquisition cost less accumulated depreciation and any accumulated impairment losses.  The carrying amounts for plant and equipment measured at cost approximate their fair value at reporting date.  ***Depreciation and Amortisation Expense*** – Property, plant and equipment and intangible assets have finite useful lives and are depreciated and amortised on a straight-line basis over the expected benefit to the CCC.  Straight line depreciation and amortisation is used reflecting the expected even consumption of economic benefits on a progressive basis over the useful life of property, plant and equipment and intangible assets.  Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity, that is, when the asset is available for use and is operating in the manner intended by management. These assets are then reclassified to the relevant asset class.  Each class of depreciable and intangible assets is depreciated or amortised based on the following useful lives.  *Plant and Equipment:*  Motor Vehicles 2–5 years  Computer Equipment 3–7 years  General and Technical Equipment 3–15 years  Leasehold Improvements 4–18 years  *Intangible Assets:*  Software 7–9 years  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 8: Property, plant and equipment and Intangible Assets (cont’d)

Note 8A: Intangible Assets

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

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | |  | |
| **Intangibles Reconciliation** | | | |  | |  | |
|  | | **Software Purchased** | | **Software Work in Progress** | | **Total** | |
|  | | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** |
|  | | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
|  | |  |  |  |  |  |  |
| Carrying amount at 1 July | | 188 | 276 | 147 | – | 335 | 276 |
| Acquisitions | | – | – | 1,028 | 147 | 1,028 | 147 |
| Amortisation¹ | | (81) | (88) | – | – | (81) | (88) |
| **Carrying amount at 30 June 2019** | | **107** | **188** | **1,175** | **147** | **1,282** | **335** |

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

Note 8B: Property, Plant and Equipment

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

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

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Property, Plant and Equipment Reconciliation** | | |  | |  | |  | |  | |  | |
|  | **Motor vehicles** | | **Computer equipment** | | **General and technical equipment** | | **Leasehold improvements1** | | **Work  in progress** | | **Total** | |
|  | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** |
|  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
| Carrying amount at 1 July | 1,127 | 931 | 612 | 1,033 | 853 | 596 | 4,866 | 4,841 | 1,604 | 58 | 9,062 | 7,459 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Acquisitions | 730 | 673 | 645 | 99 | 450 | 490 | – | 589 | – | 1,604 | 1,825 | 3,455 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Disposals3 | (264) | (141) | (2) | (1) | (7) | (20) | – | (1) | – | – | (273) | (163) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Transfers between classes | – | – | 1,332 | – | – | – | – | 58 | (1,332) | (58) | – | – |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Restoration cost adjustment2 | – | – | – | – | – | – | 4 | 75 | – | – | 4 | 75 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Depreciation4 | (320) | (336) | (690) | (519) | (260) | (213) | (735) | (696) | – | – | (2,005) | (1,764) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Carrying amount at 30 June 2019** | **1,273** | **1,127** | **1,897** | **612** | **1,036** | **853** | **4,135** | **4,866** | **272** | **1,604** | **8,613** | **9,062** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |

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

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

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

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

Note 9: Payables

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Contractual Payables** |  | **2019**  **$’000** |  | **2018**  **$’000** |
| Creditors |  | 2,236 |  | 3,348 |
| Queensland Police Service¹ |  | 898 |  | 1,281 |
|  |  | **3,134** |  | **4,629** |
| **Statutory Payables** |  |  |  |  |
| Payroll Tax |  | 169 |  | 141 |
| Superannuation |  | 58 |  | 54 |
| FBT and Pay-as-you-go |  | 35 |  | 45 |
|  |  | **262** |  | **240** |
|  |  |  |  |  |
| **Total** |  | **3,396** |  | **4,869** |
|  |  |  |  |  |

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

Note 10: Lease Liabilities

|  |
| --- |
| Accounting Policy:  ***Lease recognition*** – A distinction is made between finance and operating leases. Finance leases effectively transfer all risks and benefits of ownership to the lessee. Under an operating lease, the lessor retains substantially all the risks and benefits. The CCC has operating leases for office accommodation and no finance leases.  ***Lease measurement*** – Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred using a straight line basis over the period of the lease even if the payments are not on that basis. Differences between lease expense and payments made are recorded as a deferred lease liability, which is extinguished upon expiration of the lease.  Incentives received on entering into operating leases are recognised as a liability. The liability is progressively extinguished through a reduction in rental expense over the lease term on a straight line basis |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2019**  **$’000** |  | **2018**  **$’000** |
| **Current** |  |  |  |  |
| Lease incentive liability |  | 24 |  | 26 |
| **Total** |  | **24** |  | **26** |
|  |  |  |  |  |
| **Non-Current** |  |  |  |  |
| Lease incentive liability |  | – |  | 24 |
| Deferred lease liability |  | 463 |  | 458 |
| **Total** |  | **463** |  | **482** |

Note 11: Accrued Employee Benefits

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2019** |  | **2018** |
|  |  | **$’000** |  | **$’000** |
| Wages outstanding |  | 831 |  | 792 |
| Annual leave levy payable |  | 643 |  | 2,252 |
| Long service leave levy payable |  | 139 |  | 171 |
| **Total** |  | **1,613** |  | **3,215** |
|  |  |  |  |  |

Note 12: Provisions

|  |
| --- |
| Accounting Policy:  ***Recognition and Measurement*** – Provisions are recorded when the CCC has a present obligation, either legal or constructive, as a result of a past event, and the amount of the provision can be reliably measured. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period.  The provision for restoration costs relate to clauses in lease agreements for office accommodation which require the  CCC to restore the leased premises to their original condition. As the settlement of the obligation is expected  after 12 or more months, the provision has been discounted to reflect the present value of these obligations using a  rate that reflects current market assessments and risks specific to the liability. The finance costs relate to unwinding  of the discount on the provision. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2019** |  | **2018** |
|  |  | **$’000** |  | **$’000** |
|  |  |  |  |  |
| Restoration costs |  | 256 |  | 246 |
| **Total** |  | **256** |  | **246** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2019**  **$’000** |  | **2018**  **$’000** |
|  |  |  |  |  |
| **Movements in provisions** |  |  |  |  |
| **Restoration Costs** |  |  |  |  |
| Balance at 1 July |  | 246 |  | 328 |
| Additional provision made |  | 4 |  | 75 |
| Provision utilised through payments / derecognition |  | – |  | (162) |
| Finance Costs |  | 6 |  | 5 |
| **Balance at 30 June 2019** |  | **256** |  | **246** |
|  |  |  |  |  |

**Note 13: Reconciliation of Operating Result to Net Cash Provided by Operating Activities**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2019** |  | **2018** |
|  |  | **$’000** |  | **$’000** |
|  |  |  |  |  |
| Operating result from continuing operations |  | 216 |  | 407 |
|  |  |  |  |  |
| Depreciation and amortisation expense |  | 2,086 |  | 1,852 |
| Impairment losses |  | 5 |  | – |
| Losses on disposal of property, plant and equipment |  | 83 |  | 1 |
| Gains on disposal of property, plant and equipment |  | (90) |  | (123) |
| Other Revenue |  | – |  | (133) |
| Finance costs |  | 6 |  | 5 |
|  |  |  |  |  |
| **Change in asset and liabilities:** |  |  |  |  |
| (Increase)/decrease in other receivables |  | 54 |  | (56) |
| (Increase)/decrease in GST input tax receivable |  | 66 |  | (132) |
| (Increase)/decrease in long service leave reimbursement receivable |  | 3 |  | (93) |
| (Increase)/decrease in annual leave reimbursement receivable |  | (450) |  | – |
| (Increase)/decrease in interest receivable |  | 9 |  | 39 |
| (Increase)/decrease in prepayments |  | (591) |  | 30 |
| Increase/(decrease) in accounts payable |  | (1,473) |  | 1,898 |
| Increase/(decrease) in accrued employee benefits |  | (1,601) |  | (113) |
| Increase/(decrease) in GST payable |  | 4 |  | (1) |
| Increase/(decrease) in unearned revenue |  | (700) |  | 700 |
| Increase/(decrease) in provision |  | – |  | (27) |
| Increase/(decrease) in lease liability |  | (21) |  | 130 |
| **Net Cash Provided by operating activities** |  | **(2,394)** |  | **4,384** |
|  |  |  |  |  |

Note 14: Commitments for Expenditure

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

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Operating  Leases¹** | | **Vehicle  Leases** | | **Capital  Expenditure** | | **Other Expenditure** | | **Total  Commitments** | |
|  | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** |
|  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
| Not later than one year | 4,379 | 4,196 | 120 | 140 | 1,138 | 239 | 1,433 | 1,197 | 7,069 | 5,772 |
| Later than one year and  not later than five years | 4,198 | 8,456 | 72 | 189 | 434 | – | 559 | 1,198 | 5,263 | 9,843 |
| Later than five years | – | – | – | – | – | – | – | – | – | – |
| **Total** | **8,577** | **12,652** | **192** | **329** | **1,572** | **239** | **1,992** | **2,395** | **12,332** | **15,615** |
|  | | | | | | | | | | |

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

Note 15: Contingencies

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

**Litigation in progress**

As at 30 June 2019, 22 cases were ongoing before various courts, naming the CCC as either an applicant   
or respondent:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2019** |  | **2018** |
|  | **Number of  cases** |  | **Number of  cases** |
|  |  |  |  |
| Court of Appeal/High Court | 3 |  | 1 |
| Supreme Court | 5 |  | 2 |
| Queensland Civil and Administrative Tribunal (QCAT) | 14 |  | 9 |
| **Total** | **22** |  | **12** |

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

Note 16: Financial Instruments

|  |
| --- |
| Accounting Policy:  ***Recognition*** –  Financial assets and financial liabilities are recognised in the Statement of Financial Position when the CCC becomes party to the contractual provisions of the financial instrument.  ***Classification and Measurement*** – Financial instruments are classified and measured as follows:  *Financial Assets:*  Cash and cash equivalents – held at fair value through profit and loss  Receivables – held at amortised cost  *Financial Liabilities:*  Payables – held at amortised cost |

Note 16: Financial Instruments (cont’d)

(a) Categorisation of Financial Instruments

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Note** | **2019** |  | **2018** |
|  |  | **$’000** |  | **$’000** |
|  |  |  |  |  |
| **Financial assets** |  |  |  |  |
| Cash and cash equivalents | 7 | 12,059 |  | 16,718 |
| Contractual receivables |  | 713 |  | 330 |
| **Total** |  | **12,772** |  | **17,048** |
| **Financial liabilities** |  |  |  |  |
| Contractual payables | 9 | 3,134 |  | 4,629 |
| **Total** |  | **3,134** |  | **4,629** |

(b) Financial Risk Management

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

*Credit Risk Exposure*

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

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

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Maximum Exposure to Credit Risk** |  | **2019** |  | **2018** |
| ***Category:*** | **Note** | **$’000** |  | **$’000** |
|  |  |  |  |  |
| **Financial Assets** |  |  |  |  |
| Cash and cash equivalents | 7 | 12,051 |  | 16,710 |
| Contractual receivables |  | 713 |  | 330 |
| **Total** |  | **12,764** |  | **17,040** |

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

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

Note 16: Financial Instruments (cont’d)

(b) Financial Risk Management (cont’d)

*Liquidity* *Risk*

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

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

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

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Payable in** | | | | | | **Total** | |
|  | **Note** | **< 1 year** | | **1–5 years** | | **> 5 years** | |
|  |  | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** |
|  |  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
| **Financial liabilities** |  |  |  |  |  |  |  |  |  |
| Contractual Payables | 9 | 3,134 | 4,629 | – | – | – | – | 3,134 | 4,629 |
| **Total** |  | **3,134** | **4,629** | – | **–** | – | **–** | **3,134** | **4,629** |

*Market* *Risk*

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

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

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

(c) Fair Value

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

Note 17: Trust Transactions and Balances

**Operational Activities**

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

At 30 June 2019, the CCC held $75,679.40 (2018: $81,540.70) in trust for a number of benefactors as a result of operational activities.

Note 18: Explanation of Major Variances

Note 18A: Explanation of Major Variances – Statement of Comprehensive Income

|  |  |
| --- | --- |
| *Grants and other contributions:* | The decrease is mainly due to timing adjustments of $2.620m in relation to the new ICMS and DWP. |
| *Employee expenses:* | The decrease is mainly due to delays in filling the additional front line investigator positions that were funded in 2018-19. |
| *Supplies and services:* | The decrease is mainly due to timing adjustments in relation to the new ICMS and DWP partially offset by higher levels of expenditure in repairs and maintenance and other supplies and services. |
| *Other expenses:* | The increase is mainly due to the loss on disposal of some property, plant and equipment (Refer to note 6). |

Note 18B: Explanation of Major Variances – Statement of Financial Position

|  |  |
| --- | --- |
| *Cash and cash equivalents:* | The increase in cash assets is mainly due to a lower level of capital spend of $3.438m during 2018-19 than was budgeted. |
| *Intangible assets:* | The decrease in intangibles is primarily due to extending the timeframe for implementation of the new ICMS. |
| *Property, plant and equipment:* | The decrease in property plant and equipment is primarily due to timing adjustments of expenditure to 2019-20 in relation to the DWP and the reprioritisation of IT infrastructure replacement. |
| *Accrued employee benefits:* | The increase is mainly due to the annual leave levy payable owing at 30 June 2019 being higher than what was originally budgeted. |
| *Provisions:* | The decrease is due to a lower provision for restoration costs of office accommodation than was originally budgeted. |
| *Total equity:* | The decrease is mainly due to the deferral of $2.578m in equity injections for the new ICMS and DWP. |

Note 18C: Explanation of Major Variances – Statement of Cash Flows

|  |  |
| --- | --- |
| *Grants and other contributions:* | The decrease is mainly due to timing adjustments of $2.620m in relation to the new ICMS and DWP and $1m in relation to delays in filling the additional front line investigator positions that were funded in 2018-19. |
| *Payments for intangibles and property, plant and equipment:* | The decrease is due to timing adjustments of expenditure to 2019-20 in relation to the new ICMS, DWP and the reprioritisation of IT infrastructure replacement. |
| *Equity injections:* | The decrease is mainly due to the deferral of $2.578m in equity injections for the new ICMS and DWP. |





