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COMMUNICATION OBJECTIVE

This report is one of the CMC's chief accountability mechanisms within our corporate governance framework. Details of other accountability mechanisms are given on page 60.

The report enables the Minister, our Parliamentary Committee, Members of Parliament and the people of Queensland to assess the efficiency, effectiveness and economy of the CMC, in accordance with the requirements of the *Financial Administration and Audit Act 1977*.

The report gives an account of how we have worked towards fulfilling our mission to combat major crime and promote public sector integrity. The report also outlines our achievements and how we are performing against performance indicators, as well as the progress we are making towards achieving our targets.

The information in this report comes from the CMC's information management system, the Ministerial Portfolio Statement, operational area business plans and their outputs, and from our staff.

The CMC is committed to open and accountable governance and welcomes your feedback on its annual report. The report is available on the CMC's website at <www.cmc.qld.gov.au> and copies are available on request to:

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EXCELLENCE AND INNOVATION ACCOUNTABILITY INTEGRITY

ABBREVIATIONS

ACID	Australian Criminal Intelligence Database	DOGIT	Deed of Grant in Trust (relates to Aboriginal and Torres Strait Islander councils)	MSU	Monitoring and Support Unit
AFP	Australian Federal Police			OAM	Medal of the Order of Australia
AIC	Australian Institute of Criminology	DPP	Director of Public Prosecutions	PCMC	Parliamentary Crime and Misconduct Committee
AM	Member of the Order of Australia	ESC	Ethical Standards Command (of the QPS)	POP	Problem-oriented policing
APM	Australian Police Medal	FOI	Freedom of Information	QAO	Queensland Audit Office
AUSTRAC	Australian Transaction Report and Analysis Centre	ICAC	Independent Commission Against Corruption	QC	Queen's Counsel
CID	Criminal Intelligence Database	IPAA	Institute of Public Administration Australia	QCC	Queensland Crime Commission
CJC	Criminal Justice Commission	IIA	Institute of Internal Auditors	QPS	Queensland Police Service
CMC	Crime and Misconduct Commission	LGAQ	Local Government Association of Queensland	SC	Senior Counsel
CPA	Certified Public Accountants	LGMA	Local Government Managers Association	SMG	Strategic Management Group
		NCA	National Crime Authority		

CHARTER OF SERVICE — OUR PROMISE TO YOU

IF YOU MAKE A COMPLAINT TO US:

We will treat you as an individual and carefully consider your complaint and the interests of everyone affected by the decisions we make and the actions we take.

We will let you know if we cannot investigate your complaint and explain why. We will let you know if another agency can handle the matter and, where appropriate, seek your agreement to forwarding your complaint to that agency.

We will respect your right to confidentiality and privacy. You do not have to tell us your name if you don't want to, and you can get someone else to contact us on your behalf.

IF WE INVESTIGATE YOUR COMPLAINT:

We will aim to:

- > complete proceedings within a reasonable time
- > help public sector agencies reduce any future similar complaints about the conduct of their own officers
- > keep you informed of our progress and report to all interested parties the outcome of the investigation.
- > keep your information confidential, unless disclosure is authorised by you or by the law
- > deal with anyone else on your behalf (with your written consent).

IF SOMEONE HAS COMPLAINED ABOUT YOU:

We will, wherever possible:

- > give you reasonable notice of any interview that may need to take place
- > give you the opportunity to respond to the allegations
- > advise you, or your legal/union representative, of the progress and outcome of the investigation.

We will also consider whether it is appropriate to take any action for an intentionally false complaint.

IF YOU ARE A WITNESS TO AN INVESTIGATION:

We will:

- > try to make the process as non-intrusive as possible
- > contact you to make mutually convenient arrangements for an interview appointment
- > warn you if your name has to be released.

HOW WE WILL RESPOND TO YOUR COMPLAINT

Our legislation requires us, wherever possible, to refer any complaint back to the relevant agency to deal with. When considering whether to investigate a matter ourselves or hand it over to another agency, we are obliged to take into account the public interest and the capacity of the agency to deal with the matter. We regularly audit and review agencies' investigations with a view to improving the integrity of the investigation process and to reducing the incidence of misconduct in the public sector.

We do not determine guilt. Only a court or a tribunal can decide if someone is guilty or not guilty. We have the power to collect and assess the evidence and refer it to:

- > a prosecuting body to consider prosecution action
- > an agency to consider disciplinary charges
- > an agency to change its processes.

WHAT HAPPENS IF YOU ARE NOT HAPPY WITH HOW WE HAVE HANDLED YOUR COMPLAINT?

As a complainant, you will be given the opportunity to seek a review of a decision we have made concerning any complaint that was made by you. A decision will only be reviewed once. All reviews are conducted by senior staff and by someone other than the staff member originally assigned to your complaint. To request a review, write to the Director, Complaints Services.

OUR COMMITMENT TO CONTINUOUS IMPROVEMENT

We want to improve our service to you, so your views are very important to us. Write to us, ring us, or make an appointment to come and see us.

We will try to resolve any grievances you may have about the quality of our service, but you may also take your grievance to our parliamentary oversight body, the Parliamentary Crime and Misconduct Committee (PCMC), at Parliament House, George Street, Brisbane 4000. We will monitor and review our service performance and report regularly to the PCMC, and will review this Charter every three years.

HOW TO CONTACT US

You can contact us in writing, over the phone, through our website, or in person.

Telephone	(07) 3360 6060
Toll free	1800 061 611 (outside Brisbane)
Fax	(07) 3360 6333
Email	mailbox@cmc.qld.gov.au
Postal address	GPO Box 3123, Brisbane Qld 4001
Street address	Level 3, Terrica Place, 140 Creek Street, Brisbane
Online	Fill out the form on our website < www.cmc.qld.gov.au > under 'Making a Complaint'.

For a face-to-face interview, ring first to make an appointment.

Our hours of business are Monday to Friday 8.30 am to 5.00 pm.

We can provide direct access to an Indigenous Complaints Officer and to female Complaints Officers, as well as assist in the provision of an interpreter.

If you are hearing, sight or speech impaired, a TTY service is available through the National Relay Service on 1800 555 630 or the Speed Relay Service.

This annual report relates to the goals and strategies outlined in the CMC's Strategic Plan for the period 2002–06 (see Appendix B) and to business plans for the period 2002–03. In June 2003 the CMC produced a new Strategic Plan for the period 2003–07, which is available on <www.cmc.qld.gov.au>.

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

MISSION To combat major crime and improve public sector integrity.

OPERATING PRINCIPLES

- ▶ Act with independence, impartiality and fairness in the public interest.
- ▶ Demonstrate leadership, innovation and flexibility in performing our duties.
- ▶ Embrace excellence, professionalism and teamwork in everything we do.
- ▶ Work in collaboration with, and be responsive to, our clients
- ▶ Respect and value our staff.
- ▶ Show commitment to the rule of law.

GOALS

1. To combat and prevent major crime.
2. To reduce misconduct and promote high standards of integrity in the public sector.
3. To provide an effective witness protection service.
4. To provide high-quality research into crime, misconduct and policing.
5. To be an effective and productive organisation.

October 2003

The Honourable Peter Beattie MP
Premier and Minister for Trade
Parliament House
George Street
Brisbane Qld 4000

Dear Mr Beattie

We are pleased to present to Parliament the second annual report of the Crime and Misconduct Commission, which covers the 2002–03 financial year. The report is in accordance with the provisions of section 46J of the *Financial Administration and Audit Act 1977*.

Yours sincerely

Brendan Butler SC, Chairperson

Hon. Bill Pincus QC, Commissioner

Sally Goold OAM, Commissioner

Ray Rinaudo, Commissioner

Margaret Steinberg AM, Commissioner

MESSAGE FROM THE CHAIRPERSON

This report, the CMC's second, marks the first full year of our operation.

During the year the CMC demonstrated its strong commitment to fighting major crime and raising public sector integrity, continuing the endeavours of the Queensland Crime Commission and the Criminal Justice Commission.

Once again the hard work of our dedicated staff has resulted in a particularly productive year for the CMC.

The commencement on 1 January 2003 of the *Criminal Proceeds Confiscation Act 2002* added another powerful weapon to the CMC's crime-fighting armoury. The Act gives Queensland a civil confiscation scheme (administered by the CMC) that enables the proceeds of illegal activity to be recovered, whether or not the owner of the property is convicted of any illegal activity. The effectiveness of the new scheme is demonstrated by comparing the value of property restrained in the six months to 31 December 2002 under the old conviction-based legislation (\$2.158 million) and the value of property restrained by the CMC in the six months to 30 June 2003 under the civil confiscation scheme (\$7.335 million).

Another important legislative change occurred in May 2003 when the Criminal Code made it an offence for anyone to use the Internet with intent to procure a child to engage in a sexual act or to expose a child to any indecent matter. This change has enhanced the CMC's ability to proactively identify and arrest people attempting to use the Internet to prey on children. The amendment enables us to act before a child comes to any harm. In the five months since the new legislation was passed, six offenders have been charged as a result of joint operations undertaken by the CMC and the QPS. These people are facing a total of 33 charges.

Our work in this area — combating paedophiles who use the Internet to meet children — is particularly challenging. It involves operating on a new frontier of law enforcement in the rapidly changing communication medium of the Internet. It requires the development not only of innovative investigative methodologies but also of specialist technical expertise. The CMC is rising to the challenge. This year our work led to the discovery of an international network of paedophiles, and enabled officials in the United States and the United Kingdom to pursue and arrest suspected offenders.



The Crime and Misconduct Act has brought about a change in emphasis in the way complaints of misconduct are dealt with in Queensland. The Act calls on the CMC to play a part in building the capacity of agencies, including the Queensland Police Service, to deal with and prevent misconduct themselves. But, although agencies deal with more matters themselves now, the CMC has greater powers than had the CJC to monitor the way they do it.

This year we sought to educate public sector agencies on the implications of this change in emphasis, and to reassure agencies and the general public that the CMC remains vigilant and has not backed away from its investigative focus.

In 2002–03 we conducted 155 misconduct investigations, concentrating on the more serious and complex end of the misconduct spectrum, and on those matters where it was necessary for an independent body to conduct the investigation in order to maintain public confidence. These included significant matters that had been the subject of considerable public interest, such as the investigation of the Chief Stipendiary Magistrate and the investigation into how the Office of the Director of Public Prosecutions and the Queensland Police Service handled a particular sexual offence case.

The CMC continued to offer a witness protection service, this year protecting 141 people in 68 operations, and conducting an accredited witness protection course for police officers. This is the first time such a course has been offered in Australia.

Continuing on from the tradition set by the CJC, the CMC conducted high-quality research and evaluation projects designed to fight and prevent crime and corruption, and improve the standard of policing in Queensland. A notable example is our evaluation of beat policing in Queensland, which found that by and large this is an effective form of policing and that it meets with community support and approval.

Between October and December 2002, in collaboration with Queensland Health, we conducted an important survey of amphetamine users in the state. Over the next 12 months we will produce a series of reports examining key aspects of amphetamine use in Queensland.

In May 2003 our intelligence bulletins and digests were recognised internationally with an award for Excellence in Law Enforcement Intelligence Publications at a State Level by the International Association of Law Enforcement Intelligence Analysts (IALEIA). The award was presented to the CMC at the IALEIA's annual conference, which was held in conjunction with the International Association of Chiefs of Police Conference in Boston, USA. The intelligence digests are confidential papers for law enforcement use only, but the bulletins have a wide circulation. The latest Crime Bulletin, published in June 2003, reaffirmed the status of amphetamine as the primary illicit drug of concern to the Queensland community, ahead of other illicit drugs in terms of potential risk and harm. This information will help drive future CMC projects targeting illicit drugs.

The CMC responded this year to recurring concerns from the Indigenous community about the scarcity of well-qualified, competent clerks and executive officers in Indigenous councils. As training deficiencies appear to be the crux of the problem, we distributed an information kit

entitled 'On the right track', designed to raise awareness of ethical issues and help council staff fulfil their ethical obligations. The kit provides Aboriginal and Torres Strait Islander councillors and staff with practical advice on issues that they are likely to face in their everyday work.

The year also saw the CMC engage in a major and very important inquiry — an inquiry into how the Queensland criminal justice system is handling sexual offence matters. Our report, *Seeking justice*, made 24 recommendations for reform.

At 30 June 2003 we were preparing to embark on another important public inquiry — an inquiry into the abuse of children in foster care in Queensland. We are committed to achieving worthwhile long-term outcomes from this inquiry and have encouraged anyone with information relevant to preventing the abuse of foster children to contact us. Public hearings will be held and a report with recommendations for reform will be tabled in Parliament at the end of the inquiry.

Finally, in May this year I was pleased to see staff of the CMC's Milton office move to join staff of Terrica Place, so that now for the first time all Crime and Misconduct staff are under one roof. The relocation project was a major undertaking for Corporate Services, but the benefits to be gained by co-location will be felt in the coming years.

Brendan Butler SC
Chairperson

HIGHLIGHTS OF 2002–03

Crime

- ▶ *Criminal Proceeds Confiscation Act 2002* enacted on 1 January 2003, enhancing our ability to dismantle organised crime.
- ▶ Criminal Code amended in May 2003 to make it an offence to use the Internet to procure children for sexual activity, enhancing our ability to proactively target paedophiles.
- ▶ Four investigations into organised crime began, five were completed and 12 continued. The focus was mainly on drug offending and associated money laundering.
- ▶ Seven paedophilia investigations began and four continued. Investigations related to Internet-based offending and networked extrafamilial offending.
- ▶ Seven serious crime investigations began, six continued and three were completed.

Intelligence

- ▶ Completed one significant strategic assessment, two confidential intelligence digests, and one crime bulletin. The bulletin reaffirmed the status of amphetamine as the primary illicit drug of concern to the Queensland community.
- ▶ Bulletins and digests recognised internationally with an award for Excellence in Law Enforcement Intelligence Publications at a State Level by the International Association of Law Enforcement Intelligence Analysts.
- ▶ Identified 33 crime targets, of which 18 concerned organised crime, seven criminal paedophilia, and eight misconduct.
- ▶ A total of 710 intelligence reports were collated to IRAS (Intelligence Recording and Analysis System) database.

Misconduct

- ▶ Received 2920 complaints.
- ▶ Assessed 2946 complaints (some of which were carried over from the previous financial year), containing 6485 separate allegations. The three major subject areas — police, public service, and local authorities — accounted for 96 per cent of those allegations, with police accounting for 63 per cent.
- ▶ Published a Client Services Charter (July 2002).
- ▶ Finalised 155 investigations into misconduct, of which 22 per cent recommended either criminal or disciplinary action.
- ▶ Published *Forensics under the microscope: Challenges in providing forensic science services in Queensland* (October 2002).
- ▶ Published *Spending public money: An investigation into how certain government grants and contracts were awarded to a commercial company* (November 2002).
- ▶ Published *The Volkers case: Examining the conduct of the police and prosecution* (March 2003).
- ▶ Reviewed and audited 625 complaints referred to public sector agencies. The bulk of these (536) were handled by the QPS.
- ▶ Conducted two audits of complaints dealt with by the QPS, involving an examination of 321 files.

- ▶ Published two new brochures on how to make a complaint against a police officer, one of which targeted Indigenous communities, and a brochure on how to make a complaint about other public sector officers.
- ▶ Senior officers made five regional visits (to Cairns, Toowoomba, Mount Isa, Rockhampton and Townsville) to consult with agencies about how to improve their handling of misconduct.
- ▶ Held two CMC liaison officer forums in Brisbane.
- ▶ Began compiling guidelines for public sector officers on how to deal with misconduct, including conducting investigations.

Witness Protection

- ▶ Protected 141 people in 68 operations.
- ▶ Conducted the first accredited witness protection course for police officers to be offered in Australia.

Research and Prevention

- ▶ Coordinated an inquiry into how the criminal justice system handles sexual offence matters and published the report of the inquiry, *Seeking justice*, in June 2003.
- ▶ Published *On the beat*, an evaluation of beat policing in Queensland (June 2003).
- ▶ Published findings from the latest survey of public perceptions of police (February 2003).
- ▶ Between October and December 2002 collaborated with Queensland Health to survey Queensland amphetamine users.
- ▶ Launched the Sexual Abuse Prevention & Information Site on the CMC website (June 2003).
- ▶ Responded to concerns from Indigenous communities about corporate governance issues by publishing *Making a difference: Governance and accountability of Indigenous councils* and the 'On the right track' series of advisory papers (October 2002).
- ▶ Surveyed a wide cross-section of public sector agencies to assess their misconduct risks and their ability to deal with and prevent misconduct.
- ▶ Began an e-newsletter series, targeting public sector agencies and with a misconduct prevention focus (August 2002).
- ▶ Conducted research on recidivism among young offenders, police pursuits, police use of capsicum spray and other issues.
- ▶ Began an evaluation of the *Prostitution Act 1999*.

Managing the organisation

- ▶ Facilitated the amalgamation of the CMC's Milton office with the Terrica Place office.
- ▶ Published a report on our activities for the PCMC in April 2003 as part of the PCMC's three-yearly review of the CMC.

FINANCIAL SUMMARY 2002–03

Revenue

The major source of the CMC's revenue each year is the operating grant received from the State Government. For the year ended 30 June 2003, this was \$30.533m (98.4% of our revenue), which for a full year is less than 2 per cent of the Queensland law, order and public safety policy budget.

Expenses

Most of our expenses for the period related to employees (\$21.964m), with supplies and services (\$7.581m) and depreciation (\$1.42m). Total expenses were \$30.986m for the year ended 30 June 2003.

Assets

Our total current and non-current assets as at 30 June 2003 totalled \$9.305m.

Liabilities

Our total liabilities as at 30 June 2003 were \$4.374m. This included \$1.847m for the lease incentive liability for the Terrica Place premises, \$1.215m for employee leave entitlements not taken, and \$0.82m for accrued expenses and trade creditors.

Net equity

As at 30 June 2003, the CMC's net equity was \$4.931m.

Financial summary for year ended 30 June 2003

	\$'000
For the year	
Queensland Government grant	30 533
Operating revenue	493
Total revenues	31 026
Operating expenses	30 986
Operating surplus	40
At year end	
Total assets	9 305
Total liabilities	4 374
Net assets	4 931

ABOUT THE CMC

The Crime and Misconduct Commission fights major crime and raises public sector integrity in Queensland.

The CMC came into being on 1 January 2002, absorbing the Criminal Justice Commission, which was established in 1989 in the wake of the Fitzgerald Inquiry into police corruption, and the Queensland Crime Commission, which was established in 1997 to fight organised crime and paedophilia.

The CMC operates on three 'fronts':

- ▶ fighting major crime
- ▶ raising public sector integrity, and
- ▶ protecting witnesses.



The Commission.

(Standing left to right) Hon. Bill Pincus QC, Ray Rinaudo.
(Seated left to right) Sally Gould OAM, Brendan Butler SC (Chairperson) and Professor Margaret Steinberg AM.

Fighting major crime. In partnership with other law enforcement agencies — particularly the Queensland Police Service — we combat major crimes such as paedophilia and drug trafficking. We also help the police with serious crime investigations referred to us which are likely to be expedited by the use of our special powers.

Raising public sector integrity. In collaboration with the public sector, we handle any serious concerns Queenslanders may have about the misconduct of our public officials. It is through our efforts that public servants who engage in serious misconduct, such as fraud, can be brought to account for their actions.

By adopting a cohesive approach to fighting crime and misconduct, we are eliminating replication and bringing about greater cooperation among law enforcement agencies — factors that will lead to a safer and more ethical state for all Queenslanders.

Protecting witnesses. We also offer a witness protection service to anyone in need of it as a result of having helped a law enforcement agency fulfil its functions.

Accountability

The CMC is a statutory body, independent of the government of the day but answerable to the people of Queensland through an all-party parliamentary committee, the Parliamentary Crime and Misconduct Committee (PCMC), which is assisted by the Parliamentary Crime and Misconduct Commissioner.

The Honourable Peter Beattie MP, Premier of Queensland and Minister for Trade, is the Minister currently responsible for the allocation of our budget, and we must report to him on our efficiency, effectiveness, economy and timeliness. For more details of our accountability, see the 'Managing the organisation' section of this report.

The CMC is headed by a five-member group referred to as 'the Commission' (see the photograph on this page).

CMC corporate policy and strategic directions are set by the Commission and implemented by the 10-member Strategic Management Group (SMG) (see p. 10).

Structure

See diagram below.

There are three core functions within the organisation — Crime, Misconduct and Witness Protection — with four supporting functions — Research and Prevention, Intelligence and Information, Operations Support, and Corporate Support (the Corporate Support function is performed by Corporate Services, the Office of the Commission and the Office of General Counsel). All functions contribute in their respective ways to the CMC’s three key outputs of fighting major crime, raising public sector integrity, and protecting witnesses.

In addition, the CMC conducts research into policing methods and maintains a close relationship with the state’s Indigenous communities.

Our Commissioners, past and present, also have a role assisting the Queensland Police Service with disciplinary and transfer matters (see page 57).

Core functions

Crime

Through police taskforces and multidisciplinary teams comprising intelligence analysts, investigators, lawyers and police, the Crime function combats major crime, including paedophilia. Given that criminal activity does not recognise jurisdictional boundaries, investigations can have national and international ramifications.

Major crime encompasses:

- ▶ organised crime — criminal activity undertaken with the purpose of gaining profit, power or influence (e.g. drug trafficking) and involving offences punishable by not less than seven years’ jail, two or more people, and planning and organisation or systematic and continuing activity
- ▶ paedophilia — criminal activity involving sexual offences against children or child pornography
- ▶ serious crimes — criminal activity involving offences punishable by not less than 14 years’ imprisonment (e.g. murder, arson and extortion).

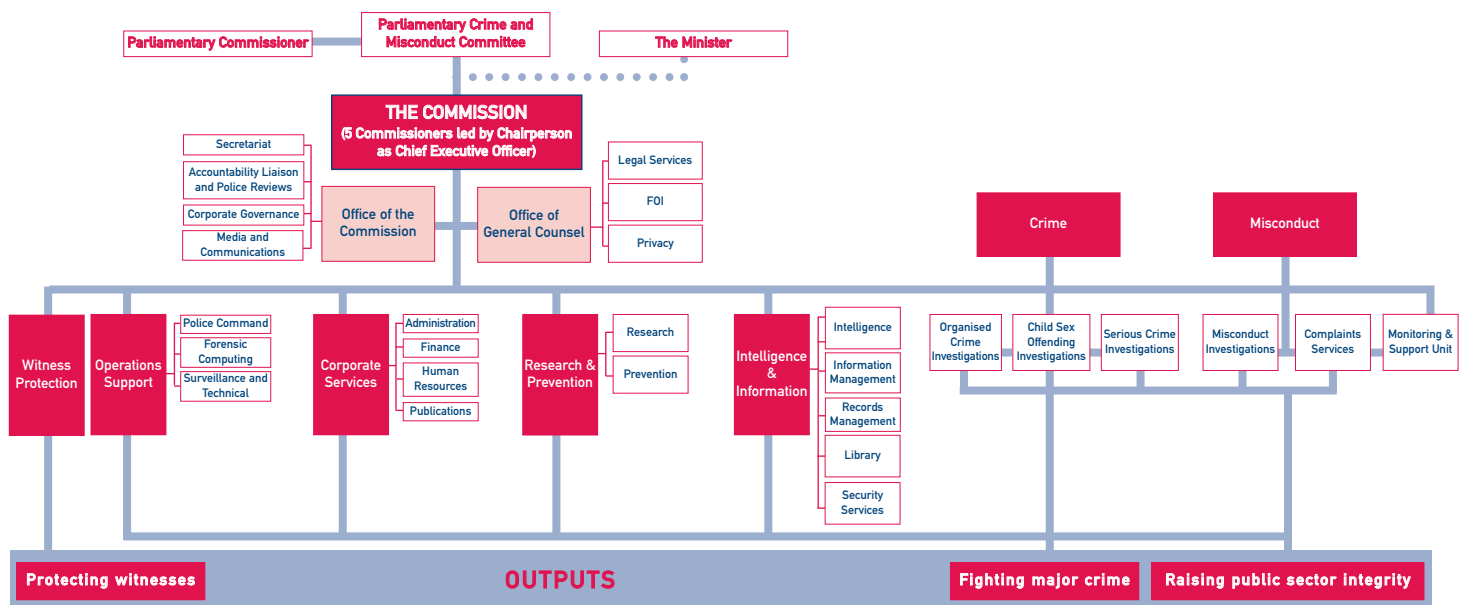
The *Criminal Proceeds Confiscation Act 2002*, which enables the CMC to take steps to confiscate assets likely to have been unlawfully acquired, is also administered by the Crime function.

Misconduct

The CMC’s misconduct jurisdiction encompasses state government departments and statutory bodies, state-run schools, universities and TAFE institutes, local government councils, prisons (state and private), the Queensland Police Service and Parliament.

Under the *Crime and Misconduct Act 2001*, ‘misconduct’ means official misconduct or police misconduct.

Official misconduct is conduct relating to the performance of an officer’s duties that is dishonest or lacks impartiality, or involves a breach of trust, or is a misuse of officially obtained information. To amount to official misconduct the conduct must also be a criminal offence or serious enough to justify dismissal. Official misconduct includes conduct by anyone who seeks to corrupt a public officer.



Police misconduct is any conduct (other than official misconduct) that is disgraceful, improper or unbecoming an officer, or shows unfitness to be or continue as an officer, or does not meet the standard of conduct the community reasonably expects of a police officer.

Matters involving possible misconduct come to the CMC's attention through referrals by Chief Executive Officers and police, through our own initiative and intelligence work, and through complaints made by the public.

The various areas in the Misconduct function receive and assess complaints involving misconduct in public sector agencies, monitor how agencies have dealt with matters referred to them, and investigate certain cases of misconduct. They also continue to investigate complaints of serious misconduct against police and monitor how the QPS deals with other cases of misconduct referred to it.

As with the Crime function, the Misconduct function relies on the use of multidisciplinary teams to investigate complaints, as well as to assess complaints and monitor how they are dealt with by agencies. We may decide to investigate a matter alone or in partnership with the relevant agency, or hand the matter back to the agency to deal with itself, subject to some form of monitoring.

Witness Protection

The Witness Protection function protects people who are in danger because they have helped a law enforcement body, such as the CMC or the QPS, do its job. We may, for example, help people meet their court commitments or relocate them out of harm's way (which may involve the creation of new identities). We conduct these activities in accordance with the *Witness Protection Act 2000* and section 56 of the *Crime and Misconduct Act 2001*.

Supporting functions

Research and Prevention

Staff of Research and Prevention carry out research on matters of particular significance to law enforcement, crime prevention and policing; they produce resource materials to assist agencies prevent misconduct, and work with agencies to address their particular misconduct risks. The function also liaises with Indigenous groups to improve the relationship between Aboriginal and Torres Strait Islander peoples and police.

Intelligence and Information

Intelligence staff proactively monitor the criminal environment to identify crime and misconduct matters relevant to the CMC's jurisdiction, assess the risks posed by criminal and corrupt activity, and develop suitable

targets for investigation. They are also responsible for maintaining the CMC's intelligence database and disseminating intelligence to other agencies.

Staff of the information area develop and oversee the CMC's information management infrastructure, including information technology and telecommunications, records, and library services.

Operations Support

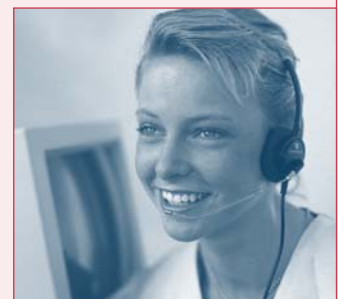
Operations Support, led by the most senior police officer attached to the CMC, coordinates the activities of police working in the CMC. The area contributes to the achievement of outputs by providing, along with its coordination role, expert staff in surveillance and technical services, and forensic computing.

Corporate Support

This function, carried out by Corporate Services, the Office of the Commission and the Office of General Counsel, maintains the CMC's internal and external accountability systems and provides services in the areas of legal advice, corporate governance, finance, human resources, administration, media and communications.

Public perceptions of the CMC

A telephone survey of randomly selected Queensland residents in 2002 revealed — not surprisingly, considering that the CMC had only just come into existence — that few Queenslanders were aware of the new body (28 per cent), but that of these almost all (95 per cent) believed it was 'a good thing for Queensland'. Encouragingly, almost 90 per cent of those surveyed had heard of the CJC and virtually all (97 per cent) regarded it as 'a good thing for Queensland'. A large proportion (88 per cent) were aware that the CJC investigated police misconduct and that it operated independently from the police service (84 per cent). A high percentage (82 per cent) also believed that the CJC had been either 'very' or 'fairly' successful at improving police conduct. A smaller proportion of Queenslanders were aware of the CJC's role in preventing public sector corruption (64 per cent), but of these 72 per cent believed it was being successful. Fewer people had heard of the QCC (42 per cent), which is also not surprising given the nature of the work of the Crime Commission.



MEMBERSHIP OF THE STRATEGIC MANAGEMENT GROUP

CMC corporate policy and strategic directions, set by the Commission, are implemented by the Strategic Management Group (SMG), led by the Chairperson as CEO. The SMG comprises the Chairperson, the Assistant Commissioners, and Directors.



Brendan Butler SC, Chairperson and CEO of the Crime and Misconduct Commission. Mr Butler holds the degrees of Bachelor of Arts, Bachelor of Laws and Master of Laws from the University of Queensland. (See page 56 for more details of Mr Butler's background.)



John Callanan, Assistant Commissioner, Crime, has a Bachelor of Laws (Honours) from the University of Queensland and, prior to his appointment, over 20 years' experience in the criminal justice system as a Crown Prosecutor and barrister in private practice.



Stephen Lambrides, Assistant Commissioner, Misconduct. Mr Lambrides is a barrister with a Bachelor of Commerce and a Bachelor of Laws from the University of Queensland.



Assistant Commissioner Kathy Rynders APM, Director of Witness Protection and Operations Support. Assistant Commissioner Rynders has a Bachelor of Arts from the University of Queensland, a Bachelor of Social Science from Charles Sturt University and a Graduate Diploma in Management, University of Central Queensland.



Paul Roger, Director, Intelligence and Information. Mr Roger has a Bachelor of Arts (Justice Studies) and a Master of Justice from Queensland University of Technology.



Detective Chief Superintendent Jan Lidicky APM, Director, Crime Operations, has a Bachelor of Arts from the University of Queensland and has been a serving police officer since 1972.



Paul Mazerolle, Director, Research and Prevention. Dr Mazerolle has a PhD in Criminology from the University of Maryland, USA, a Masters in Criminal Justice from North Eastern University, Boston, and a Bachelor of Sociology from the University of New Brunswick, Canada.



Forbes Smith, Director, Misconduct Investigations. Mr Smith has a Bachelor of Laws from the University of Queensland and is a barrister of the Supreme Court of Queensland.



Helen Couper, Director, Complaints Services. Ms Couper has qualifications as a solicitor of the Supreme Court of Queensland and the High Court of Australia. She is also a barrister of the Supreme Court of the Australian Capital Territory and Supreme Court of Victoria.



Graham Brighton, Executive Director, and head of Corporate Services and the Office of the Commission. Mr Brighton holds qualifications in human resource management and a Bachelor of Arts from the University of Queensland.

CMC POWERS

CMC powers are essential tools in the fight against crime and corruption.

CMC powers are designed to enable it to gather evidence and information. The CMC has the power to:

- ▶ require a person to produce records or things relevant to a CMC investigation
- ▶ enter a unit of public administration, inspect any record or thing in those premises, and seize or take copies of any record or thing that is relevant to a CMC investigation
- ▶ apply to a magistrate or judge for a warrant to enter and search premises
- ▶ apply to the Supreme Court for a listening device
- ▶ summons a person to attend at a hearing to give evidence and produce such records or things as are referred to in the summons.

The CMC is the only law enforcement agency in Queensland with the power to conduct coercive hearings.

The hearings power

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

The granting of such a power to the CMC is a vital part of the response to the growing sophistication of organised crime and the impact on society of sexual offending against children and other serious crimes that can at times defy ordinary investigative methods.

As well as the power to compel people to attend and give evidence, we have the power to require the production of documents and other things. We use this power extensively in proactive financial investigations into organised crime and money laundering and to help in the assets confiscation process.

An important aspect of our investigative activity is the use of search, surveillance and seizure powers. Covert activity of this kind can be particularly effective, but, because of its potentially intrusive nature, we are required to seek the approval of a Supreme Court judge before proceeding. Powers under both the *Crime and Misconduct Act 2001* and the *Police Powers and Responsibilities Act 2000* are used, depending on operational considerations.

Below are statistics on the use of CMC powers during the year to fight major crime.

Table 1. Use of CMC powers for organised crime investigations

Description	2001–02	2002–03
Investigative hearing days	45	33
Notices to attend	82 issued 65 served	55 issued 47 served
Witnesses legally represented	17	–
Witnesses who applied to the Attorney-General for financial help	7	1
Witnesses giving evidence	58	44

Table 2. Use of CMC powers for paedophilia investigations

Description	2001–02	2002–03
Investigative hearing days	3	6
Notices to attend	4 issued 4 served	19 issued 13 served
Witnesses legally represented	–	–
Witnesses who applied to the Attorney-General for financial help	–	–
Witnesses giving evidence	4	11

Table 3. Use of CMC powers for serious crime investigations

Description	2001–02	2002–03
Investigative hearing days	27	54
Notices to attend	39 issued 34 served	113 issued 94 served
Witnesses legally represented	8	21
Witnesses who applied to the Attorney-General for financial help	–	3
Witnesses giving evidence	32	83

Table 4. Notices to produce (crime investigations)

Description	2001–02	2002–03
Organised crime	185	174
Criminal paedophilia	1	2
Serious crime	–	8

Table 5. Notice recipients (crime investigations)

Description	2001–02	2002–03
Banks and financial institutions	165	162
Other	16	13
Solicitors	3	5
Accountants	1	3
Casinos	1	1

Table 6. Other powers used (crime investigations)

Description	2001–02	2002–03
Crime and Misconduct Act:		
Notice to a unit of public administration	1	1
Search warrants	–	–
Surveillance warrants	–	–
Covert search warrants	1	6
Police Powers and Responsibilities Act:		
Search warrants (overt)	–	21
Surveillance warrants	9	–
Covert search warrants	3	–

Below are statistics on the use of CMC powers during the year to raise public sector integrity.

Table 7. Use of CMC powers for misconduct investigations 2002–03

Exercise of power	Legislation	No. times exercised	
		2001–02	2002–03
Notices to produce or discover information	Crime and Misconduct Act, s. 75	149	231
Listening devices	Crime and Misconduct Act, s. 121	4	3
Notices to attend	Crime and Misconduct Act, s. 82	22	45
Power to enter	Crime and Misconduct Act, s. 73	2	5
Search warrants	Police Powers and Responsibilities Act, s. 68, or Crime and Misconduct Act, s. 86	31	44

Table 8. Hearings (misconduct investigations) 2002–03

Type	Days	Witnesses
Public	–	–
Private	34	52

Public inquiries

Complaints or issues brought to the CMC's attention sometimes involve wide-ranging allegations that have the potential to reduce public confidence in fundamental systems of government. Often in these cases there are numerous stakeholders who can provide important evidence on the conduct of individuals and insightful perspectives on the processes adopted within the system.

The holding of public inquiries has a two-fold benefit:

- 1 It allows a wider gathering of evidence on which findings and recommendations can be based than may usually be possible during a normal investigation.
- 2 It allows the public to be involved in the process of reform.

An important public inquiry was held this year in relation to the effectiveness of the criminal justice system in handling sexual offences — for details see the 'Research' section of this report (page 46).

WORKING WITH THE QUEENSLAND POLICE SERVICE

The CMC and the QPS work together to fight crime, raise police integrity and protect witnesses.

History of the relationship between the CMC and the QPS

The Criminal Justice Commission (CJC) was formed in response to the 1987–89 Fitzgerald Commission of Inquiry into police corruption in Queensland. From its inception, the CJC focused its efforts on raising the standards of accountability, integrity and performance of the Queensland Police Service.

In addition to handling complaints about police, the CJC trialled new complaints-handling processes, developed alternative policing methods, evaluated the use of police powers, and monitored changes in the ethical climate of the QPS.

This ambitious program of reform was achieved only because the QPS and the CJC were equally committed to the continuous improvement of the police service and prepared to work in partnership to place the QPS at the forefront of policing in Australia. As a result, the Queensland Police Service of today is a vastly different organisation from the one of the late 1980s.

For several years the CJC also assisted the police in investigating organised and major crime. In 1997 the Queensland Crime Commission (QCC) was formed to take over this function. The partnership forged by the QCC with the QPS lives on in the CMC.



Toowoomba Mayor Cr Dianne Thorley, Superintendent Wayne Browning, District Officer, Toowoomba, and Brendan Butler meeting at the Toowoomba launch of *On the beat*, the CMC evaluation of beat policing in Queensland.

The CMC remains committed to the continuous improvement of the police service, particularly in the areas of organisational management and performance. It reaffirms its belief that a close working relationship with the QPS is the most effective way to build the Service's capacity in these areas.

The CMC is also working with the QPS to improve the relationship between police and Indigenous communities (see the section 'Working with Indigenous communities').

In 2002–03 the CMC's relationship with the QPS could be seen at work in fighting major crime, raising public sector integrity, and protecting witnesses.

Fighting crime

The partnership between the CMC and the QPS allows police investigations to be expedited through the use of CMC special powers and gives the CMC access to police resources and the skills and talents of experienced investigators to fight major crime.

Under the *Crime and Misconduct Act 2001*, the CMC Chairperson may make arrangements with the Police Commissioner to establish police taskforces to help the CMC carry out crime investigations. Our current taskforces focus on organised crime and sexual crimes against children. From time to time, CMC and QPS partnerships also focus on other serious crimes, such as murder, extortion and arson. CMC officers are drawn from investigative, intelligence, forensic, legal, information technology and accounting disciplines.

Since the start of the CJC, our intelligence function has worked in concert with the QPS to share information of mutual benefit and interest. The fact that the CMC and QPS use similar methods for collecting, analysing and disseminating intelligence information makes it easy for the two organisations to work together to target individuals, networks and crime markets. In addition, the CMC and QPS both contribute to the National Intelligence Collection Plans (NICPs), which provide a unique insight into criminal networks and criminal behaviour from a whole-of-Queensland perspective.

The CMC remains committed to proactive, intelligence-based targeting of criminal networks and will continue to encourage the establishment of joint operations involving CMC and QPS staff.

Raising public sector integrity

In relation to police, we do this in three ways. With the cooperation of the Queensland Police Service, we:

- ▶ monitor the way police handle complaints against police
- ▶ conduct investigations ourselves when the complaint is particularly serious
- ▶ conduct research into policing methods and police integrity.

Monitoring how police handle complaints

Under the Crime and Misconduct Act, the QPS has primary responsibility for dealing with police misconduct and may also deal with less serious official misconduct (see the definition of 'misconduct' in the right column). This reflects a need for the QPS to assume greater ownership of its organisational risks and management.

Nonetheless, the Act empowers the CMC to monitor the way police handle these complaints, and to assume responsibility for an investigation if necessary. It also allows the CMC to conduct investigations when the matter is serious or involves the public interest or both.

The CMC meets regularly — usually weekly — with the QPS Ethical Standards Command to discuss any general issues of concern or individual cases.

This financial year, the CMC's Monitoring and Support Unit (MSU) conducted a full review of 168 complaints of misconduct investigated by the QPS. Each review focused on the integrity of the investigation, giving consideration to:

- ▶ the adequacy, impartiality and transparency of any investigative, or other resolution, processes
- ▶ the appropriateness of the conclusions and recommendations made as a result of any investigation or other action taken
- ▶ the appropriateness of the decision whether to lay disciplinary charges or not
- ▶ where no charges are laid, the appropriateness of any other action taken
- ▶ where charges are laid, the appropriateness of the charges and of the tribunal of fact to hear the charges
- ▶ the appropriateness of any finding and/or sanction
- ▶ the appropriateness of any systemic, procedural or preventive recommendations.

'Misconduct' defined

Under the Crime and Misconduct Act, 'misconduct' means official misconduct or police misconduct.

Official misconduct is conduct relating to the performance of an officer's duties that is dishonest or lacks impartiality, or involves a breach of trust, or is a misuse of officially obtained information. To amount to official misconduct the conduct must also be a criminal offence or serious enough to justify dismissal. Official misconduct includes conduct by anyone who seeks to corrupt a public officer.

Police misconduct is any conduct (other than official misconduct) that is disgraceful, improper or unbecoming an officer, or shows unfitness to be or continue as an officer, or does not meet the standard of conduct the community reasonably expects of a police officer.

The CMC reports to the QPS about its reviews of those complaints on a case-by-case basis, and through 'periodic review reports'. These reports analyse how complaints have been dealt with, and provide feedback to the QPS generally on the manner in which the complaints have been handled, with particular emphasis on the investigative processes and outcomes, and any issues that, in the CMC's view, require procedural or systemic review or other attention by the QPS.

This year the CMC also conducted two audits of complaints dealt with by the QPS. The first concerned the timeliness of investigations, and the second concerned compliance with provisions of the QPS policy on complaints management which are indicators of the integrity of an investigation. In all, we examined 321 files. We also consulted with all Regions and Commands about the disciplinary regime.

The CMC also examines the outcomes of hearings of disciplinary charges of misconduct against police officers, with a view to determining whether it is satisfied with the decision. When dissatisfied, the CMC can appeal to the Misconduct Tribunal.

Two examples of matters monitored by the CMC in 2002–03 are given below. The first involved an appeal to the Misconduct Tribunal over inadequate sanctions; the second related to incorrect procedures.

Appeal to Misconduct Tribunal

Citizens of a regional community complained to the CMC that an off-duty police officer had repeatedly discharged a firearm at his residence and had committed traffic offences in his motor vehicle. We referred the matter to the QPS to deal with, and monitored what happened.

After investigating the matter, the QPS took disciplinary action for police misconduct against the officer

concerning the way in which he had allegedly driven his private motor vehicle; discharged and otherwise managed his service revolver at his residence, causing fear to his neighbours; and lied when his superiors questioned him about the matter.

The disciplinary action was taken by an officer who decided that the untruthfulness allegations were unsubstantiated, but the motor vehicle and firearms allegations were substantiated. No sanction was imposed for the traffic incidents and a fine of only \$300 for the firearms incidents.

The CMC appealed to the Misconduct Tribunal and submitted that:

- (a) the finding about the untruthfulness of incidents was wrong
- (b) the sanctions on the firearms incidents and the lack of a sanction on the traffic incidents were manifestly inadequate.

While not agreeing with our submission entirely, the Misconduct Tribunal upheld the appeal concerning the firearms incidents and ordered that the officer be dismissed from the QPS. Accordingly, the QPS dismissed the officer immediately. The officer has now asked the Supreme Court to review the Misconduct Tribunal's decision.

Incorrect recording procedures

The QPS investigated a claim by a man that he was unlawfully assaulted by police when questioned about his attempts to gain entry to a premises. When the initial investigation proved unsatisfactory, a second investigation was conducted by the QPS and a report sent to the MSU for review.

MSU officers noticed that the interviews with the police officers were typewritten and not electronically recorded, as required by police procedures, and that the records of the two interviews were identical.

Upon investigation, MSU officers discovered that, while the first arresting officer had been interviewed, the second officer had not been interviewed at all — simply being asked by the investigating officer to sign a statement. The second officer explained that he was new to the Service at the time and assumed that this must be correct procedure. While the officer agreed that he did not provide the actual answers in the typed record of interview, which he had signed, the information contained in it was correct.

The CMC determined that there was no evidence of any collusion by the officers and investigator concerned with a view to subverting the proper course of the investigation. However, the CMC advised the QPS of its concern about the use of typed records of interview, a practice contrary to police guidelines, and the standard of the investigation generally.

The officers received managerial guidance so that they were made aware of the proper procedure for conducting disciplinary investigations. The CMC

requested that the matter be used as a case study for the education of Regional Complaints Managers and investigators to ensure that they are aware of the need to record all interviews with police officers electronically.

Investigating complaints about police

In addition to monitoring the way in which the QPS handles complaints made about police officers, the CMC continues to investigate serious cases of misconduct, including official misconduct, particularly if there is reason to believe that the misconduct is prevalent or systemic.

Most complaints against police fall into the 'less serious' category. But a very small proportion of police become involved in serious criminal behaviour or misconduct. In some cases, allegations are made about individuals within the police service that are not systemic, but have the potential to undermine confidence in the QPS. Such cases are usually handled by the CMC.

Examples of matters handled in 2002–03 are given below.

Conduct of police in handling of Volkerts case

In September 2002 the CMC was asked to examine a controversial decision by the Director of Public Prosecutions (DPP) to cease criminal proceedings against well-known Australian swimming coach Scott Volkerts. A full investigation was launched amid allegations of secret undertakings, police incompetence and political involvement.

Although we found no evidence of official misconduct or police misconduct, we did find that the DPP's handling of the case could have been better, and recommended disciplinary and managerial action for two of the investigating police officers. Our report — *The Volkerts case: Examining the conduct of the police and prosecution* — was published in March 2003.

The case also prompted us to look at wider issues concerning the way in which the Queensland criminal justice system was handling sexual offences (see page 17).

'Recruitment' activities of police officer

In September 2002 the CMC finalised an extensive investigation into improper 'recruitment' activities of a serving police officer. The officer had been 'recruiting' local Ipswich residents as 'police informants'. The people recruited included children and adults who were members of a local church. The officer induced these 'recruits' to provide him with samples of pubic hair and photographs of themselves naked, asserting this was part of the recruitment process. The CMC's forensic computer specialists assisted the investigation by uncovering evidence that the officer had encrypted on his computer.

On 3 October 2003 the officer was found guilty in the Brisbane District Court on 14 of the 18 charges brought against him and sentenced to five years' jail.

Forensics under the microscope

In 2001 we were asked by the DPP to look into aspects of a police investigation that had resulted in the wrongful conviction of a man for rape. The man's conviction had been quashed by a Court of Appeal in April 2001 when fresh forensic evidence came to light.

Our investigation found no evidence of wrongdoing by the police investigators; however, it brought into focus the relationship between Queensland Police Service and Queensland Health forensic science services, revealing challenges in providing forensic science services in Queensland. Hence, while the catalyst for this report was our investigation of a wrongful conviction, its major purpose was to identify for wider public scrutiny those systemic concerns not addressed as part of the formal Commission investigation.

Our report, *Forensics under the microscope: Challenges in providing forensic science services in Queensland*, released in October 2002, made three recommendations related to improving communication and collaboration between the agencies involved:

- 1 That the QPS and Queensland Health collaborate on the preparation of protocols and guidelines to ensure the most prompt, transparent and effective means of relaying requests from the QPS to Queensland Health, and to develop strategies that will make the number of items submitted for forensic testing more manageable.
- 2 That the QPS and Queensland Health collaborate on developing a coordinated and ongoing training program for key agencies involved in the delivery of forensic science services.
- 3 That an inter-agency working party, responsible to the Interdepartmental Coordinating Committee, be established to explore efficient work practices within and between all agencies involved in the delivery of forensic science services, and to consider other issues raised in this report.

Cash disappearing from police station

In March 2003 the CMC recommended disciplinary action against three police officers involved in the handling of \$113 000 in cash, which had been stolen from the Maroochydore Police Station. Managerial guidance for a fourth officer was also recommended.

The money had been seized by police in a drug raid on 7 June 2002 and placed in a safe at the police station, from where it was discovered missing on 21 August. However, the money was not officially reported missing until two days later.

We recommended disciplinary action because the apparent failure of the officers to perform their duties properly had made it easier for the money to be stolen. The major failure was that the money was not placed in proper safekeeping as soon as reasonably practicable. Additionally, the theft was not reported as quickly as it should have been. The failure of the officers to deal with

the money properly had also made it impossible to identify exactly when the theft had taken place.

As a result of the theft, we also evaluated the internal controls used by the QPS when dealing with high-risk property such as seized money or drugs. The evaluation found a number of risk areas, and the CMC made recommendations to improve policy and procedures to ensure that officers comply with existing controls.

Conducting research

One of the CMC's key responsibilities is to promote an effective and accountable police service that is responsive to community needs. We do this in two ways. Firstly, we regularly monitor QPS activities and procedures to ensure that the Service is meeting the expectations of its many client groups and is in full compliance with the law or any relevant policies.

Secondly, we help the QPS develop, implement and evaluate innovative policing methods and strategies. For example, starting in 1994, the CMC and the QPS reviewed a number of existing policing programs and established several major pilot projects. These projects were largely aimed at developing a capacity within the QPS to identify local policing programs, demonstrating the effectiveness of alternative service delivery strategies and identifying ways that police could work in partnership with the community to solve local problems.

Some examples of past projects are:

- ▶ Toowoomba Beat Policing Pilot Project (1993) — aimed at giving individual officers responsibility and ownership for policing a designated geographic area.
- ▶ Beenleigh Calls for Service Project (1998) — designed to determine whether the application of problem-solving techniques would reduce the number of repeat calls for service.
- ▶ Beenleigh Break and Enter Reduction Project (1999) — aimed at enhancing the police response to the problem of residential break and enters, with a particular focus on reducing the risk of repeat victimisation and the number of offences in particular areas (called 'hot spots').

Over the years, the CMC's research function has been instrumental in fostering a close and effective working relationship with the QPS, which has led to significant improvements in the delivery of policing services in Queensland. The CMC intends to continue this collaborative approach to ensure that the QPS provides effective and efficient policing services and remains committed to achieving and maintaining the highest standards of integrity.

Examples of significant projects in this reporting period are given on the following pages.

Beat policing

In Toowoomba, in June 2003, we released a detailed report endorsing beat policing as an effective policing strategy. The report, *On the beat: An evaluation of beat policing in Queensland*, showed beat policing to be a worthwhile investment of police resources, with strong community support. Toowoomba was chosen as the site for the launch because it was in Toowoomba that beat policing was first trialled by the QPS back in 1993.

Two primary models of beat policing currently operate in Queensland: the neighbourhood police beat and the police beat shopfront. Both are designed to make an individual police officer responsible for the community's policing needs in a defined geographical area. As part of the study, the CMC evaluated four neighbourhood beats and two shopfronts across Queensland and compared these with selected matched control areas.

Police beats, especially neighbourhood beats, were found to be effective in addressing crime and disorder problems and in providing a cost-effective means of delivering police services, with the public being very satisfied with them. Specifically, neighbourhood beats were found to reduce:

- ▶ the overall rate of reported crime, including property crime, within the beat area, and
- ▶ the rate of chronic repeat calls for service over a longer period.

Police beat shopfronts were found to be effective in raising awareness and visibility of police, with shopping

centre managers reporting high levels of satisfaction. Issues identified by the CMC as being important for the development of beat policing are:

- ▶ clearly defined criteria for selecting new beat sites
- ▶ periodic reviews of the beat and its function
- ▶ increased promotion of the concept of beat policing
- ▶ increased training for beat officers, and
- ▶ greater access to police information systems.

Police handling of sexual offences

Comment by political leaders and in the media over the handling of the Volkert case (see page 16) raised concerns about how the QPS and the Office of the Director of Public Prosecutions were handling sexual offence matters. Questions were also raised regarding the sufficiency of laws relating to the naming of people accused of such offences during the criminal justice process. To obtain the widest contribution from relevant stakeholders, the CMC conducted public hearings over two days in November 2002, calling 21 witnesses.

In June 2003 we published our findings in a comprehensive report entitled *Seeking justice: An inquiry into how sexual offence matters are handled by the Queensland criminal justice system*. The report contained 24 recommendations, including recommendations for reform of the QPS, which should result in:

- ▶ better training for all officers in the sexual offence squads
- ▶ improved supervision and communication practices
- ▶ a review of human resourcing practices within the specialist squads
- ▶ an assessment of the statewide demands made on the Service by sexual offences, with a view to enhancing the regional response.

Steroid use in the QPS

The CMC and the QPS have long been concerned about the possible illicit use of steroids by Queensland police officers. In 2001 a joint project between the QPS and the CJC was established to examine the nature and extent of the possible use of illicit steroids by QPS officers. The project sought to:

- ▶ improve the understanding of the nature and extent of possible illicit steroid use within the QPS
- ▶ develop a model for the identification of illicit steroid use within the QPS.

The project included a review of complaints and intelligence data held by both agencies, information from external agencies and academic literature in relation to steroid use, a survey of officers within the QPS, and interviews with key QPS personnel and an external academic consultant.

The project found that the issue of illicit steroids use within the QPS is potentially serious but has so far been isolated in nature.



The Beat Policing research team

(Left to right) Kim Adams, Matt Vance, Dennis Budz and Paul Mazerolle.
(Absent) Chris Cockerill.

Drug and alcohol initiatives

The CMC continued its participation in the QPS Drug and Alcohol Policy Working Party. We have participated in the working party from the outset. Our view has always been that a random and targeted alcohol-testing system should be implemented and that compliance levels should be consistent with those in other high-risk occupations. We also support the introduction of targeted testing for illicit drugs.

All key stakeholders on the working party (including police unions) have had an opportunity to shape the direction of the new regulatory framework by advocating preferred options and by providing advice to the Minister for Police and Corrective Services.

The issue has recently progressed into becoming a bill under consideration by Cabinet. The Police Service Administration (Alcohol and Drug Testing) Amendment Bill 2003 is expected to be enacted in November 2003. The position of the CMC on the various issues under consideration is well represented in the proposed bill.

Projects under way at 30 June 2003

Use of capsicum spray by police

We have begun examining whether capsicum spray, designed to defuse potentially dangerous situations, is being used appropriately by police, and whether any amendments to QPS policy or procedures may be warranted. We are examining crime reports, complaints to the CMC, and attitudes of police officers.

Problem-oriented policing

A 12-month pilot project is under way to assess the effectiveness of problem-oriented policing (POP) among a group of detectives on the Gold Coast. The detectives are trialling the POP techniques to see if they increase their investigative effectiveness and help them better incorporate crime prevention strategies into their work.

Police response to domestic violence

We are examining the police response to domestic violence to assess the effectiveness of service delivery as well as the impact of the *Domestic Violence Legislation*

Amendment Act 2002. Research findings will be used to develop one or more trial projects that will be implemented and evaluated in several police districts.

Police pursuits

We are currently reviewing police pursuits in Queensland, particularly injury rates, driver characteristics, types of offences, and outcomes. A report will be published before the end of 2003.

Analysis of police interview tapes

We recently completed a second audit of police interview tapes to assess police compliance with the legislation. The first audit was conducted in 1999 by the CJC. Both audits found high rates of compliance with the Act, but also noted areas for improvement.

Early warning signs of police misconduct

We analysed information about police recruits that might help selectors identify in applicants the early signs of the sort of behaviour that might later lead to complaints. This project will provide valuable information that can be integrated into QPS recruit selection and training processes.

Protecting witnesses

The CMC administers the witness protection program for Queensland. The program provides protection to people eligible under the *Witness Protection Act 2000*. For the most part, the unit comprises sworn police officers who are attached to the CMC to work as witness protection and surveillance officers. Currently, there are about forty officers assigned to these roles.

These officers not only manage the day-to-day welfare of witnesses, but also provide a range of other services including close personal protection, security in court, changes of identity and relocations, and technical and physical surveillance. Since 1987, nearly 1000 people have been safely placed under joint CMC and QPS protection. For more details about the work of the CMC's witness protection program, see the section 'Protecting witnesses'.

Public perceptions of the police

In 1991 the CJC started conducting regular surveys of Queensland residents to find out what they think of the police, in order to track changes in perceptions and attitudes over time.



In February 2003 our published findings from the latest survey revealed that most people in Queensland have a favourable view of the police. Around 90 per cent of respondents indicated a belief that most police were honest and that police generally behaved well. Most people continued to agree that complaints against police officers should be investigated by an independent body rather than by the police themselves. However, most respondents who made a complaint reported it directly to the QPS.

While the data generally provide a favourable view of the QPS, some areas — namely, police and young people, the complaints process, and satisfaction with police — require further attention. These matters raise 'customer service' issues for the police. But, while they are cause for some concern, it should not be overlooked that general public perceptions of police behaviour and the police image remained favourable.

The CMC combats and prevents major crime.

STRATEGY:

Conduct effective multidisciplinary investigations into major crime, including organised crime and paedophilia.

The CMC combats and prevents major crime by investigating, disrupting and dismantling networked and organised criminal activity and by keeping law enforcement agencies and policy makers abreast of crime trends and crime-prevention strategies. We use research, intelligence, investigative, financial and legal expertise, and work in partnership with the QPS and other law enforcement agencies to make optimal use of available resources.

This section of the report details our achievements for the year.



John Callanan, Assistant Commissioner, Crime, leads the CMC's Crime function.

How investigations come to us

Investigations come to us through the Crime Reference Committee (see the photograph on page 21).

The committee, established under the *Crime and Misconduct Act 2001*, refers investigations to the CMC at the request of either the Commissioner of Police or the CMC's Assistant Commissioner, Crime, or on its own initiative.

In addition, the CMC has broad 'umbrella' referrals from the committee to investigate some forms of major crime, which means we can investigate such matters without further referral from the committee.

Table 9 (next page) lists referrals current in 2002–03 and indicates which ones were completed. Principal umbrella referrals are:

- ▶ **Freshnet**, which relates to criminal activity by established criminal networks
- ▶ **Gatekeeper**, which relates to money laundering
- ▶ **Artemis**, which relates to extrafamilial paedophile activity by networked offenders or by people who offend against multiple victims
- ▶ **Atrax**, which relates to paedophile activity by people using the Internet as a means of contacting children
- ▶ **counter-terrorism**, which relates to a wide range of criminal activity undertaken to advance a political, religious or ideological cause with the intention of intimidating the government or the public.

Pages 21–25 contain examples of major crime investigations conducted this year.

Table 9. Referrals current in 2002–03

Referral	Date referred	Status	Reference type	Description
Freshnet*	August 1998	Current	Organised crime	An umbrella referral relating to established criminal networks
Tiber	Nov. 1998	Current	Serious crime	Murder
Atrax*	Jan. 2000	Current	Criminal paedophilia	An umbrella referral relating to Internet-based child-sex offending
Gatekeeper*	April 2000	Current	Organised crime	An umbrella referral relating to money laundering activities
Enchanted	Feb. 2002	Completed Sept. 2002	Serious crime	Attempted murder
Jarvis	Feb. 2002	Current	Serious crime	Suspected murder
Denver*	March 2002	Current	Serious crime	Suspected murder
Caribbean	March 2002	Completed March 2003	Serious crime	Receiving in Queensland of property stolen interstate
Verona*	April 2002	Current	Criminal paedophilia	Suspected extrafamilial paedophile activity in North Queensland
Anvil	April 2002	Completed May 2003	Criminal paedophilia	Suspected extrafamilial paedophile activity in South-East Queensland
Alaska*	April 2002	Current	Criminal paedophilia	Suspected extrafamilial paedophile activity in South-East Queensland
Isle	May 2002	Completed Jan. 2003	Serious crime	Murder
Artemis*	July 2002	Current	Criminal paedophilia	An umbrella referral relating to extra-familial offenders who offend against multiple victims
Napier	Nov. 2002	Current	Organised crime	Suspected murder
Caviar	Nov. 2002	Current	Serious crime	Suspected double murder
Counter-terrorism	Dec. 2002	Current	Serious crime	Organised terrorist activities
Abina*	Feb. 2003	Current	Serious crime	Murder
St George*	Feb. 2003	Current	Serious crime	Riot
Alpha Grapple	Feb. 2003	Current	Serious crime	Suspected arson
Hope	June 2003	Current	Serious crime	Suspected unlawful killing
Bravo System	June 2003	Current	Serious crime	Suspected perjury

* Items in red are detailed in this report.

'Major crime' defined

Major crime encompasses:

- ▶ **organised crime** — criminal activity undertaken for the purpose of gaining profit, power or influence and involving:
 - offences punishable by not less than seven years' jail
 - two or more people
 - planning and organisation or systematic and continuing activity

The Silhouette and Gatekeeper Teams carry out organised crime investigations.

- ▶ **paedophilia** — criminal activity involving sexual offences against children or child pornography

The Egret Team carries out paedophilia investigations.

- ▶ **serious crime** — criminal activity involving offences punishable by not less than 14 years' imprisonment.

These investigations generally involve hearings.

How the CMC fights organised crime

The CMC's strategy for combating organised crime is based on priorities identified through intelligence assessments. These assessments provide risk ratings of

crime markets and of key networks or individuals operating within such markets. The current focus of our organised crime operations accords with our assessment that amphetamine-like substances constitute the highest-ranking illegal commodity in Queensland.

We work in close partnership with the QPS (see page 28 for details of QPS–CMC committees) and have cooperative arrangements with other agencies. This multi-agency approach provides for the most effective use of available resources and powers.

The majority of our organised-crime investigations are carried out under the umbrella referral Freshnet, which relates to established criminal networks, and Gatekeeper, which relates to money laundering. Other matters are referred to us under specific referrals from the Crime Reference Committee. In addition, we have a referral in relation to terrorist activity, which places us in a position to respond rapidly to investigative requirements connected with suspected or actual organised terrorist activity. For details of our use of powers for organised crime investigations in 2002–03, see the section 'CMC powers'.

In 2002–03 we began four investigations into organised crime, completed five and continued twelve. The focus of these investigations was mainly on drug offending and associated money laundering.

Operations Soho and Aero

These operations formed part of a major investigation targeting possible criminal networks suspected of being involved in the manufacture and trafficking of amphetamines. The operations commenced after an inquiry into suspected imports of precursor chemicals used in the production of amphetamines.

When we discovered that the principal identities in the network had strong links with other people in South-East Queensland, South Australia and New South



Crime Reference Committee as at 30 June 2003.

(Standing left to right) Robin Sullivan, Commissioner for Children and Young People; Bill Pincus QC, Acting CMC Chairperson; Assistant Commissioner Peter Swindells (representing the Queensland Commissioner of Police).

(Seated left to right) Judith Bell, community representative; John Callanan, Assistant Commissioner, Crime, and chair of the Committee; and Terry Houget-Pincham, community representative.

Statistics on Operations Soho and Aero (commenced August 2001)

Arrests	46
Charges laid	173
Drug seizures	36 kg cannabis
	20 kg precursor chemicals used in the production of amphetamine
	1300 ecstasy tablets
	300 grams cocaine
Assets restrained	\$4.26m
Notices to produce	100
Hearing days	15
Witnesses	9

Wales, we entered into a partnership with the National Crime Authority (now the Australian Crime Commission), the QPS and the Australian Federal Police.

During the close-down period of both operations, 16 warrants were executed in Rockhampton, Adelaide and South-East Queensland. Forty-six people were arrested on 173 charges, which included eight people charged with nine trafficking offences, and the seizure of more than \$4 million in assets (including real property, luxury vessels and motor vehicles, and bank accounts).

Operation Ellis

Operation Ellis resulted in the arrest of two people believed to be heavily involved in producing and trafficking amphetamines and supplying precursor chemicals. Links with a Brisbane-based outlaw motorcycle gang had also been identified. A network member was arrested for possession of one pound of amphetamine and a financial investigation was conducted into the network. Access through the Australian Crime Commission to telephone intercept product significantly advanced this investigation. Proceeds-of-crime action has resulted in the restraint of \$1 262 050.

Statistics on Operation Ellis (commenced August 2002)

Arrests	6
Charges laid	19
Drug seizures	498 g methylamphetamine
Assets restrained	\$1 262 050
Notices to produce	21
Hearing days	19
Witnesses	16

Operation Harvard

Operation Harvard related to the suspected organised theft of semitrailers, prime movers and other heavy vehicles. Fifteen people were arrested and charged with numerous offences, including unlawful possession of motor vehicles, fraud, production of dangerous drugs and weapons offences. The operation involved stolen property with the gross value of \$1.4 million.

Statistics on Operation Harvard (commenced March 2003)

Arrests	15
Charges laid	82
Drug seizures	2.9 kg cannabis 0.4 kg methylamphetamine 18 ecstasy tablets 59 grams cocaine
Assets restrained	\$239 000
Notices to produce	15

How the CMC fights paedophilia

The CMC focuses on people who repeatedly seek to sexually harm children (serial and networked extrafamilial child-sex offenders) and on child abusers who use the medium of the Internet to meet and groom children for sex offences.

In May 2003 an important legislative change occurred that has had a significant effect on the way in which we handle cases of paedophiles who use the Internet to exploit children. It is now an offence under the Criminal Code for a person to use the Internet with intent to procure a child to engage in a sexual act or to expose a child to any indecent matter. Providing the relevant intent is proven, it does not matter if the 'child' with whom the communication takes place is a fictitious person. The provision places the onus on the person initiating the communication to prove that he did not believe he was communicating with a child.

The amendment enhances the CMC's ability to proactively identify and arrest people attempting to use the Internet to prey on children. By making no distinction between an actual child or a police officer masquerading as a child, the amendment enables us to act *before* a child comes to any harm. Follow-up investigations may identify actual victims or children at risk of victimisation so that we can act to prevent such risks being realised.

Our work in this area is particularly challenging. It involves operating on a new frontier of law enforcement in the rapidly changing communication medium of the Internet. It requires the development not only of innovative investigative methodologies but also of specialist technical expertise.

This year it took us several months to enhance our investigative methods and obtain the technical capability for our operations. The investment in time is now bearing fruit. In the five months since the new legislation was passed, six offenders have been charged by the CMC and the QPS. Five of these six offenders attended prearranged meetings where they believed they were meeting an under-age girl for sex. These people are facing 33 charges:

Using the Internet to procure a child under 16 to commit a sexual act	7
Using the Internet to expose a child under 16 to indecent material	19
Stealing	1
Receiving	1
Possessing drug utensil	1
Possessing tainted property	1
Possessing child-abuse computer game	1
Selling child-abuse computer game	1
Attempting to procure for prostitution	1

Where the offender is identified as being either interstate or overseas, we refer those matters to the relevant law enforcement agencies for further attention. For example:

Arrest of Victoria Police Service officer

CMC investigators operating on the Internet were engaged by a person who initiated an explicit sexual discussion and then sent images of child pornography. Investigations revealed that the target was a serving police officer in the Victoria Police Service. He was immediately suspended and charged with transmitting and possessing child pornography. He pleaded guilty to these charges and was sentenced to six months' jail (suspended for two years), and resigned from the police service.

For details of our use of powers for paedophilia investigations in 2002–03, see the section 'CMC powers'.

In 2002–03 we began seven paedophilia investigations and continued four. These related to Internet-based offending (Atrax) and networked extrafamilial offending (Artemis).

Operation Alaska

Operation Alaska was initiated by strategic intelligence, and involved the use of coercive hearings. It led to the arrest of a man on 47 charges relating to indecent treatment of children.

Statistics on Operation Alaska (commenced April 2002)

Arrests	1
Charges laid	47
Hearing days	3
Witnesses	5

Operation Verona

Operation Verona was a proactive investigation into a man whose residence was searched by CMC and QPS officers. Examination of his home computer revealed numerous pornographic images of children. He was sentenced to four months' imprisonment — understood to be the first time a first offender in Queensland has been sentenced to jail. In delivering sentence, the magistrate said that, while prison was always a last resort, in this case he 'could take no other course'. He said he considered the conduct of the man repugnant, and that a fine would be grossly inadequate.

Statistics on Operation Verona (commenced April 2002)

Arrests	2
Charges laid	22



Detective Chief Superintendent Jan Lidicky APM, Director, Crime Operations, with Crime Operations Assistant Debbie Hasted.

The CMC is particularly conscious of its crime-prevention role in relation to paedophilia. It endeavours to use investigative methods that will prevent harm to children as much as lead to arrests and convictions. For example:

Operation Opera

In the course of an ongoing strategic intelligence assessment of paedophile networks, we identified a long-term prisoner who was planning to have contact with families with young children on his release. We conducted investigative hearings, mounted an application to the courts to require the man to report to police the details of any change in his residential address, and also identified an associate of the man who was charged with sexual offences against children.

Statistics on Operation Opera (commenced December 2002)

Arrests	2
Charges laid	6
Hearing days	3
Witnesses	6

The CMC's Technical and Surveillance Unit enhances the capacity of the CMC's Crime function to identify targets and develop strategies. In 2002–03 the unit devoted over 7000 hours to the Crime function, its efforts greatly contributing to the substantial achievements of organised-crime and paedophilia operations such as those detailed above.

International network of paedophiles exposed through CMC investigation

Through one of our investigations, we uncovered an international ring of paedophiles who were abusing children as young as three months, and trading child pornography over the Internet. At least 28 children, from babies to teenagers, were abused by members of this network.

It was our analysis of seized computer hardware from a Queensland-based paedophile that uncovered this network of 12 paedophiles spanning three continents, including Australia. Material revealed that these people created their own child



pornography with children of their acquaintance. They transmitted pornography to associates through the Internet, exchanged information about ways of abusing children, shared knowledge of encryption

technology in order to hide their practices, supplied technical equipment such as powerful computers and high-quality cameras to various members of the group, provided mutual support, and exchanged advice about evading detection by law enforcement.

United States officials were able to use the information we gave them to identify an additional victim of a man already in custody for child-abuse offences. The child was interviewed and the evidence obtained corroborated our information, enabling more charges to be laid. This man now faces the possibility of life imprisonment with no parole. Elsewhere in the US, police investigations have resulted in the arrest and charging of two men with child sex and child pornography offences.

In the United Kingdom, a person who holds a position of trust as a school governor was arrested for possession of child pornography. Charges previously withdrawn in relation to allegations of sexual assault against several children are being reviewed in the light of the CMC's information.

Since June 2003, an additional four suspects have been identified by US authorities and are being vigorously pursued.

How the CMC combats serious crime

Police investigations into serious crime using conventional methods may sometimes yield insufficient evidence to give rise to a real prospect of securing convictions. The Crime Reference Committee, generally at the request of the Police Commissioner, may refer such investigations to the CMC, if this is judged to be in the public interest.

The crimes we investigate as serious crime involve those that carry a penalty of 14 years or more (such as murder and arson). Our role is to gather evidence to further the investigation.

These investigations depend as much on our multidisciplinary and partnership approaches as do our organised crime and paedophilia investigations.

For details of our use of powers for serious crime investigations in 2002–03, see the section 'CMC powers'.

We began seven serious crime investigations this year and continued six. We finished three of the earlier investigations. Our involvement adds value to police investigations.

Operation Abina

A man was found murdered on the premises of a known drug dealer in a regional Queensland centre. The drug dealer's girlfriend provided him with an alibi for the time of the murder, but told police that a man arrived at her house shortly after the murder and had a private conversation with the drug dealer. The drug dealer

refused to disclose to police what the man had told him. The case was referred to the CMC and the drug dealer was required to give evidence at a hearing of the conversation with the man in which the man had admitted killing the deceased. The evidence of the drug dealer now forms a vital part of the prosecution case against the defendant.

Statistics on Operation Abina (commenced February 2003)

Arrests	1
Charges laid	1
Hearing days	8
Witnesses	16

Operation Denver

The disappearance and suspected murder of a woman was referred to the CMC for investigation. A South-East Queensland woman had gone missing and had not made contact with her children, other family members or friends for a substantial period. The CMC called her husband and other members of his family to hearings to be questioned as to the events leading up to the woman's disappearance. The matter is now under consideration by the QPS.

Statistics on Operation Denver (commenced March 2002)

Hearing days	9
Witnesses	10

Operation St George

A riot in the town of St George resulted in significant property damage. Although many people were known to have been involved, police were only able to obtain evidence against some of these people. The matter was then referred to the CMC for further investigation and extensive hearings were held. Evidence was obtained of the involvement of numerous other people in the riot and the QPS is now considering the institution of further prosecutions in relation to the matter.

Statistics on Operation St George (commenced February 2003)

Arrests	7
Charges laid	21
Hearing days	12
Witnesses	19

STRATEGY:

Identify and react to investigative priorities through proactive intelligence and research activities.

Proactive intelligence

Our intelligence work helps us decide what crimes pose the most serious threat to the people of Queensland.



Paul Roger, Director, Intelligence and Information, leads the CMC's intelligence, information technology and information management functions.

By proactively monitoring crime markets within Queensland, we are able to assess the risks posed by criminal activities and associated criminal networks. In response to the more serious threats we identify targets for investigation by our multidisciplinary teams.

In 2002–03 we identified 33 targets, of which 18 concerned organised crime, seven criminal paedophilia, and eight misconduct. Six organised-crime matters and three criminal-paedophilia matters were referred as suitable targets for further investigation. Of the organised-crime matters, two became full CMC investigations while the other four were referred to the QPS, where they either are being further investigated or have been concluded. The paedophilia matters became subjects of investigation by the CMC's Egret Team.

In addition to supporting the investigation process, intelligence officers are responsible for ensuring the collation of intelligence to the IRAS (Intelligence Recording and Analysis System) database and the dissemination of useful intelligence to other agencies. During 2002–03, a total of 710 intelligence reports were collated to IRAS.

Arising from these reports, 376 disseminations were made to partner agencies; of these, 278 were via electronic transfer to ACID (Australian Criminal Intelligence Database) for sharing with other law enforcement agency personnel who use the database. The remaining 98 were directed to particular agencies, primarily the QPS, for further attention. These reports covered issues such as organised crime and drug networks, paedophile matters, amphetamine syndicates and money laundering.

Our intelligence disseminations are well received and frequently result in successful enforcement action.

The other important way in which we disseminate our intelligence findings is through publication of Crime Bulletins and Intelligence Digests.

- ▶ The Crime Bulletin series is produced for law enforcement agencies and for interested members of the public. The bulletins are designed to heighten general awareness of organised-crime issues, trends and forecasts.
- ▶ The Intelligence Digest series is produced for law-enforcement use only. The digests provide information about emerging trends in Queensland and the risk they pose.

In addition to the bulletins and digests, we also produce more substantial strategic intelligence assessments on specific issues where there is a potential for the issue to affect law enforcement in Queensland. We research and analyse past and current developments and assess both the current and future threat, or risk level, posed by the issue.

The findings help determine priorities for deployment of resources. The combining of intelligence and research skills in preparing such assessments has proved to be an added advantage of the CMC's Strategic Intelligence Unit (SIU), which was established as a multidisciplinary unit with expertise in strategic intelligence, research and financial investigation.

This year, one significant strategic assessment, one bulletin and two digests were completed. Two further strategic assessments and a digest are in preparation. All of the completed publications have received strong commendations from clients.

In May 2003, the bulletins and digests were recognised internationally with an award for Excellence in Law Enforcement Intelligence Publications at a State Level by the International Association of Law Enforcement Intelligence Analysts (IALEIA). The award was presented to the CMC at the IALEIA's annual conference, which was held in conjunction with the International Association of Chiefs of Police Conference in Boston, USA. The CMC was unable to attend the conference.

Crime Bulletin on amphetamine

A 20-page Crime Bulletin on amphetamine, published in June 2003, reaffirmed the status of amphetamine as the primary illicit drug of concern to the Queensland community, ahead of other illicit drugs in terms of potential risk and harm.

We have begun conducting similar assessments of other illicit drug markets in Queensland, with further publications expected to be available during the next financial year.



Proactive research

Staff of the CMC's Research and Prevention function carry out research into crime prevention, illicit drugs, and paedophilia. Significant projects conducted in 2002–03 are described in the paragraphs that follow.

Amphetamine research

Between October and December 2002 the CMC collaborated with Queensland Health to survey amphetamine users in Queensland. Out of the 700 surveys dispatched, 690 were completed and returned, providing a large sample of users in Queensland. Over the next 12

months, we will produce a series of reports examining key aspects of amphetamine use across the state. Initial findings are due to be published later in 2003.

Alcohol and drug research

In late 2002 the CMC began a collaborative project with the Queensland Alcohol and Drug Research Education Centre to identify the prevalence of illicit drug use among individuals entering hospital emergency rooms. This research, conducted at Southport Hospital, will establish baseline levels of illicit drug use, explore relationships between recent illicit drug use and negative consequences, such as car accidents and overdoses, and provide important comparative information with other drug-use surveys.



Drugs Use Monitoring in Australia (DUMA)

We maintain an ongoing research project drawing upon the DUMA data, which is administered by the Australian Institute of Criminology. These data involve quarterly interviews and urinalyses from detainees in police watchhouses. The information gathered provides a unique source of data about market characteristics (an early indicator of the 'heroin drought', for example), as well as drug-user profiles and information on the nexus between drugs and crime.

Recidivism among young offenders

Data from the Queensland Department of Families, the QPS, and the Queensland Department of Corrective Services have been used to determine the extent to which juveniles on supervised orders in 1994–95 progressed to the adult corrections system. The rate of progression of members within the youth cohort to adult corrections was used as a measure of recidivism. We defined 'recidivism' as at least one admission to adult custody or participation in an adult supervised community corrections order in Queensland. The results of the project confirm that multiple factors amplify the risk of recidivism and highlight the importance of coordinated whole-of-government responses to youth offending.

The Youth Justice: Criminal Trajectories Research Project was funded by a Criminology Research Council grant. Our paper will be simultaneously released by the Australian Institute of Criminology as part of its 'Trends and Issues' series.

Current research on crime prevention

Preventing paedophilia: common techniques used by offenders

We are examining the methods commonly used by extrafamilial and networked sexual offenders to groom and target victims. This examination, which has involved consultation with external stakeholders, will generate education materials as well as a research paper.

Evaluation of how well child sexual-abuse programs are helping prevent crimes against children

While there are numerous prevention programs currently being administered within the community, very few have been adequately evaluated to ensure their effectiveness. We have begun:

- ▶ reviewing research into the effectiveness of such programs
- ▶ identifying the characteristics of effective programs
- ▶ assessing the applicability of such programs to Indigenous communities.

Treatment programs for sex offenders

We have begun examining evaluations of sex-offender treatment programs within Australia and internationally. This examination will enable us to give an overview of the evidence to date regarding what makes a successful program.



CMC stand at the Ekka.

Visitors to our stand received advice on browsing the Internet safely.

Sentencing trends for sexual offences against children

This project primarily involves quantitative analyses of sentencing trends in relation to sexual offences against children in Queensland for a period of approximately eight years (dating back to July 1994). To give some indication of the scope of this project, there were approximately 1000 offenders sentenced in the Brisbane District Court for sexual offences against children in the period from 1994 to 2001 (this equates to approximately 3000 separate offences).

Exposure to violence and sexual victimisation among non-custodial offenders

The project examines violence across the life course and the nature, extent and consequences of sexual victimisation during childhood for offenders serving non-custodial sentences in Queensland.

The primary mode of data collection will be face-to-face structured interviews with samples of 300 male and 300 female offenders. The interviews will be designed to elicit information about a range of related domains, including demographic status, childhood experiences of violence, adult perpetration of violence, adult victims of violence, parental drug use and criminal history, and detainees' own past and present drug use. Treatment and program involvement within the corrections environment will also be explored. Additional demographic and criminal history information will be obtained from Department of Corrective Services records.

Other crime-prevention initiatives

Other crime-prevention initiatives include educational presentations to community groups, schools and other bodies connected with the education of children. We also provide training to school-based policing officers, their supervisors and officers of Education Queensland. This training has enabled the school-based officers to return to their respective schools around the state and provide information sessions on the Internet and criminal paedophilia.

In June 2003 we launched a portal on our website containing useful resources in the fight against paedophilia. The Sexual Abuse Prevention & Information site has five sections:

- ▶ Resources for victims and survivors of sexual abuse
- ▶ Service agencies for children and families
- ▶ Research, education and publications



- ▶ Definitions, policy and legislation
- ▶ The Internet and child protection.

We plan to launch a general crime-prevention portal by 2004. The portal will provide a brief overview of the expanded role of crime prevention in the Commission, identify upcoming, current and completed programs in the area of crime prevention and provide links to existing external crime prevention resources and organisations.

Officer training

We contribute to various police training courses designed to familiarise detectives with the activities of paedophiles on the Internet and what strategies can be implemented to target them.

In June 2003 an agent from the Australian High Tech Crime Centre visited the Egret Team to share in the team's methodologies for investigating Internet-based sex offences involving child pornography. Later in the same month, other officers from the centre came to Brisbane to receive instruction in conducting covert operations on the Internet. Similarly, plans are under way for an Internet Investigations training course for officers from South Australia Police.

In recognition of the vital role played by informants (also known as 'human sources') in combating crime, we developed a dedicated training course for CMC officers. The 'Human Source Operations Course' was designed and jointly run by officers from the CMC in partnership with the ACC (then the National Crime Authority) in the latter half of 2002. A further course was conducted in March 2003. The course provides a practical guide to human-source operations and satisfies an important and previously largely unsatisfied requirement for law enforcement officers to be trained to handle human sources for strategic and tactical operations. Feedback from participants and instructors was extremely favourable, and further courses are planned for late 2003 and 2004.

STRATEGY:

Maintain close partnership with the Queensland Police Service and cooperative arrangements with other agencies.

Partnership with the QPS

The CMC and the QPS are partners in the fight against major crime in Queensland. Through this partnership, value is added to conventional police methodologies and the CMC gains access to the investigative skills and resources of the QPS.

QPS-CMC committees

Strategic direction is facilitated and overseen by the Joint Executive Team (JET), which comprises:

- ▶ the Assistant Commissioner, State Crime Operations Command, QPS
- ▶ Detective Chief Superintendent, State Crime Operations Command, QPS
- ▶ Assistant Commissioner, Crime, CMC
- ▶ Director, Crime Operations, CMC

and meets every three weeks to:

- ▶ ratify joint operations by the QPS and the CMC in relation to organised crime and criminal paedophilia
- ▶ set and monitor strategic direction for joint operations
- ▶ overview the performance of the Operations Management Board in relation to joint operations
- ▶ provide a forum to determine resources for joint operations
- ▶ provide a forum to discuss major crime issues affecting Queensland and strategies to deal with them.

The strategic direction provided by JET is translated into the operational environment by the Operations Management Board (OMB) of the QPS, on which the CMC has representation.

The other important joint committee is the QPS-CMC Paedophile Investigation Coordination Committee (PICC), which coordinates and promotes cooperation between the CMC's Egret Team and the QPS's Taskforce Argos.

Interstate cooperation

We work cooperatively with police services in other states, the Australian Crime Commission (ACC), the Australian Federal Police (AFP), the Australian Customs Service, AUSTRAC (Australian Transaction Report and Analysis Centre), and other agencies because experience has shown that organised-crime networks, particularly those operating in drug markets, do not respect state borders.

In particular, we often seek to involve national law enforcement agencies that have, under Commonwealth legislation, the capacity to intercept telecommunications between suspected crime syndicate members. This capacity is crucial to the effectiveness of organised-crime investigations. Indeed, the successes we have recently achieved (see Operations Soho and Aero on page 21) are largely attributable to the availability of that capacity through the involvement of national agencies, especially the ACC.

Our crime-related research also frequently involves collaborative arrangements with other agencies, such as the Australian Institute of Criminology and Queensland Health (see pages 26–27).



Memorandum of understanding with AUSTRAC.

CMC Chairperson Brendan Butler (left) and acting Director of AUSTRAC, Neil Jensen, signed a memorandum of understanding between the CMC and AUSTRAC.

STRATEGY:

Undermine the financial basis of crime by identifying and targeting the proceeds of crime for confiscation.

Seizing the proceeds of crime

Our objective is not merely to identify and gather evidence against key members of organised criminal networks, but also to financially incapacitate the networks themselves. We want to reduce the viability of, and business confidence in, the crime marketplace.

The *Criminal Proceeds Confiscation Act 2002*, which commenced on 1 January 2003, adds another weapon to the CMC's crime-fighting armoury. The Act gives Queensland a civil confiscation scheme (administered by the CMC) that enables the proceeds of illegal activity to be recovered, whether or not the owner of the property is convicted of stealing it.

The main object of the Act is 'to remove the financial gain and increase the financial loss associated with illegal activity, whether or not a particular person is convicted of an offence because of the activity'. At the same time, the Act protects property honestly acquired and imposes procedures to ensure that people are given reasonable opportunity to establish the lawfulness of the means by which they acquired the property.

The effectiveness of the new civil confiscation scheme is demonstrated by comparing the value of property

restrained by the CMC in the six months to 31 December 2002 under the old conviction-based legislation (\$2.158m) and the value of property restrained in the six months to 30 June 2003 under the civil confiscation scheme (\$7.335m), totalling \$9.493. From the commencement of the Act to 30 June 2003 the CMC obtained 11 restraining orders over property valued at \$7.335 million. See tables 10 and 11 for details.

In all cases in which the CMC obtained restraining orders, we filed applications for either a forfeiture order or a proceeds assessment order, or both, within the statutory 28-day period.

As at 30 June 2003:

- ▶ one realisable forfeiture order for \$18 764 had been obtained
- ▶ two exclusion orders in relation to property valued at \$101 000 had been made
- ▶ eight applications for forfeiture in relation to property valued at \$6.7 million and an application for a proceeds assessment order to the value of \$8.4 million had been filed.

On 13 June 2003, the Court of Appeal delivered its judgment in relation to two appeals challenging the constitutional validity of section 30 of the Act. The court upheld the appeal, set aside the restraining orders and remitted the applications to the trial division of the Supreme Court. One of those orders was reinstated before 30 June 2003. The second application has been heard since 30 June 2003 and certain property restrained.

Table 10. Categories of restrained property 2002–03

Description	Value \$m
Cash, bank accounts and other deposits	3.670
Real property	4.009
Vehicles, vessels, plant and equipment	1.404
Livestock	0.400
Other	0.010
Total	9.493

Table 11. Restraining orders 2002–03

Agency	No.	Value \$m
CMC, AFP, ACC, QPS	3	4.262
CMC, ACC, QPS	2	0.245
ACC	1	0.400
QPS	5	2.428
Total	11	7.335

The Office of the Director of Public Prosecutions acts as solicitor on the record for all matters brought by the CMC under the civil confiscation scheme. The CMC has maintained strong links with that office and liaises regularly with it on operational and policy matters.

The Public Trustee of Queensland has two significant roles under the Criminal Proceeds Confiscation Act — the first is the management of property placed in its control and the second is the realisation of property subject to forfeiture or proceeds assessment orders. Close liaison has been established with the Public Trustee of Queensland to ensure the efficient administration of restrained assets under its control and the prompt recovery of forfeited property.

The contribution of the Queensland Police Service, the Australian Crime Commission and other law enforcement agencies in Queensland to the litigation commenced by the CMC under the Criminal Proceeds Confiscation Act has been substantial. A total of 51 matters were referred to the CMC for assessment of confiscation action under the civil confiscation scheme in the six months to 30 June 2003. As at 30 June 2003 litigation had commenced in relation to 11 matters and a further 35 were under active consideration. Table 12 sets out the sources of those referrals.

Table 12. Sources of referrals 2002–03

Agency	No.
CMC, AFP, ACC, QPS	5
CMC, ACC, QPS	5
CMC, QPS	3
ACC/QPS	1
ACC	5
QPS	32
Total	51

FIGHTING MAJOR CRIME: OUTLOOK 2003–04

We will:

- ▶ continue proactive targeting of individuals, networks and crime markets within our jurisdiction
- ▶ continue to proactively identify and investigate networked, extrafamilial offenders, or extrafamilial offenders who offend against multiple victims, and offenders who use the Internet to aid in the commission of child-sex offences
- ▶ use our special investigative powers to investigate unsolved serious crimes referred by the Crime Reference Committee
- ▶ continue to identify and target facilitators of money laundering and attack the profitability of crime using the *Criminal Proceeds Confiscation Act 2002*
- ▶ periodically publish Intelligence Digests for law enforcement agencies, and Crime Bulletins for the general public
- ▶ conduct research on illicit drugs and drug markets, with an emphasis on identification and understanding of illicit drug problems and markets to inform and support crime-related initiatives
- ▶ identify opportunities for proactive crime prevention activities, in particular in the areas of child-sex offending and illicit drug use
- ▶ publish initial findings from a survey of amphetamine users in Queensland.

The CMC reduces misconduct and promotes high standards of integrity in the Queensland public sector.

The CMC works in partnership with public sector agencies to reduce misconduct and raise standards of integrity. Our ultimate goal is to achieve a truly integrated system where a commitment to integrity is shared by all.

This section of the report details our achievements for the year in the areas of complaints handling, misconduct investigation, misconduct prevention and capacity-building.



Stephen Lambrides, Assistant Commissioner, Misconduct, leads the CMC's Misconduct function.

STRATEGY:

Ensure an effective complaints-handling process.

Complaints handling

The *Crime and Misconduct Act 2001* charges the CMC with the responsibility of ensuring that complaints of misconduct against officers in the Queensland public sector (see next page for definition of misconduct) are dealt with appropriately, having regard to the principles set out in the Act. These principles are:

Cooperation

To the greatest extent practicable, the CMC and public sector agencies should work cooperatively to prevent and deal with misconduct.

Capacity-building

The CMC has a lead role in building the capacity of agencies to prevent and deal with cases of misconduct effectively and appropriately.

Devolution

Subject to the other principles, action to prevent and deal with misconduct in an agency should generally happen within the agency.

Public interest

The CMC has an overriding responsibility to promote public confidence in the integrity of agencies and in the way misconduct is handled by agencies.

The CMC should exercise its power to deal with particular cases of misconduct when it is appropriate having primary regard to the following:

- the capacity of, and the resources available to, an agency to effectively deal with the misconduct
- the nature and seriousness of the misconduct, particularly if there is reason to believe that misconduct is prevalent or systemic within an agency
- any likely increase in public confidence in having the misconduct dealt with by the CMC directly.

Our jurisdiction covers all state government departments, local governments, the Queensland Police Service, most statutory bodies, and Members of State Parliament.

Once a complaint has been made to the CMC, an assessment is made about the most appropriate action to take to deal with it. Many complaints require no further action by the CMC or any other agency.

If complaints warrant any action, they may be:

- ▶ referred to the relevant agency to deal with, and/or
- ▶ referred to the Queensland Police Service or
- ▶ investigated by the CMC, either solely or in conjunction with another agency.

In deciding what to do, the CMC considers the capacity of the agency concerned to deal with the complaint, and the public confidence factors — the nature and seriousness of the alleged misconduct, the prevalence or systemic nature of the conduct and any likely increase in public confidence if the CMC were to investigate.

Mostly, complaints are referred to the relevant agency to deal with. Not all of these complaints require investigation; some can be dealt with in other ways by the agency, such as through mediation.

The CMC monitors how agencies deal with complaints referred to them by reviewing and auditing selected matters, and by providing advice and making recommendations. This is to ensure the integrity of the process and enhance the capacity of agencies to prevent and deal with misconduct.

Receipt and assessment of complaints

For detailed statistics on complaints, see Figures 1–6.

From 1 July 2002 to 30 June 2003, the CMC received 2920 complaints, an 8 per cent increase compared with the previous year. We assessed 2946 complaints, some of which were carried over from the previous financial year. The complaints received in 2002–03 contained 6485 separate allegations. (Any one complaint can contain several allegations.)

The three major subject areas — police, public service, and local authorities — accounted for 97 per cent of those allegations, with police accounting for 67 per cent.

Figure 1. Complaints received 1990–91 to 2002–03

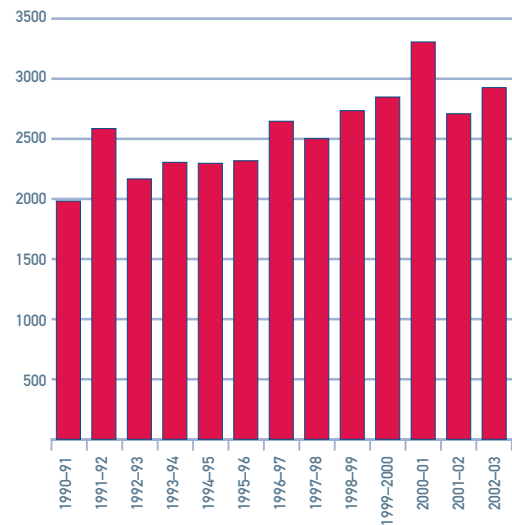


Figure 2. Assessment outcomes

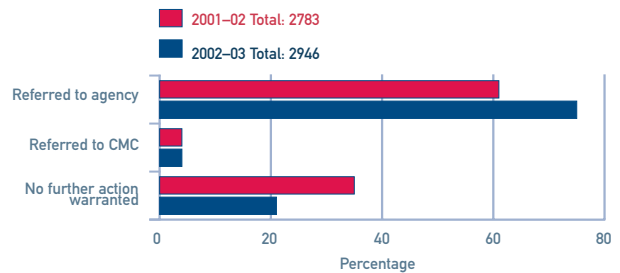
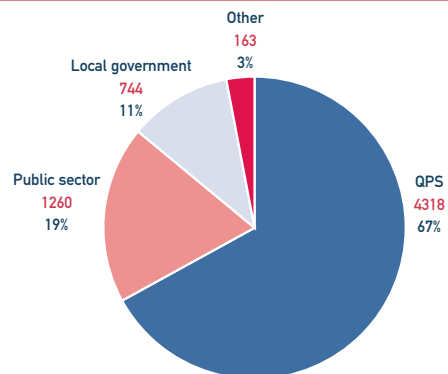


Figure 3. Allegations by agency 2002–03



‘Misconduct’ defined

Under the Crime and Misconduct Act, ‘misconduct’ means official misconduct or police misconduct.

Official misconduct is conduct relating to the performance of an officer’s duties that is dishonest or lacks impartiality, or involves a breach of trust, or is a misuse of officially obtained information.

To amount to official misconduct the conduct must also be a

criminal offence or serious enough to justify dismissal. Official misconduct includes conduct by anyone who seeks to corrupt a public officer.

Police misconduct is any conduct (other than official misconduct) that is disgraceful, improper or unbecoming an officer, or shows unfitness to be or continue as an officer, or does not meet the standard of conduct the community reasonably expects of a police officer.

Figure 4. Types of allegations — QPS

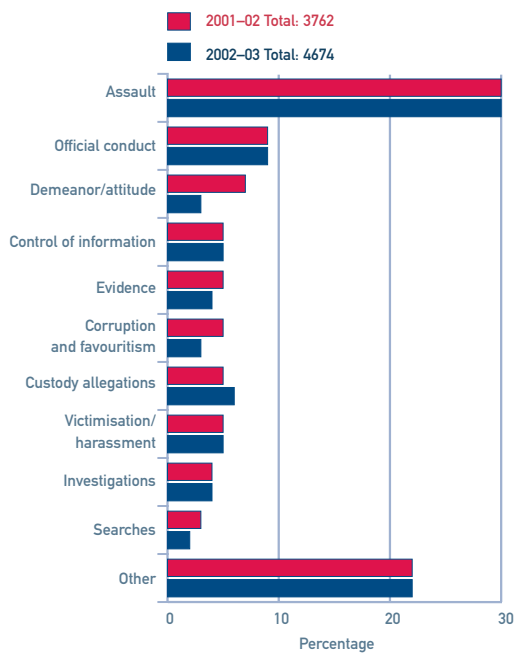


Figure 6. Types of allegations — public sector

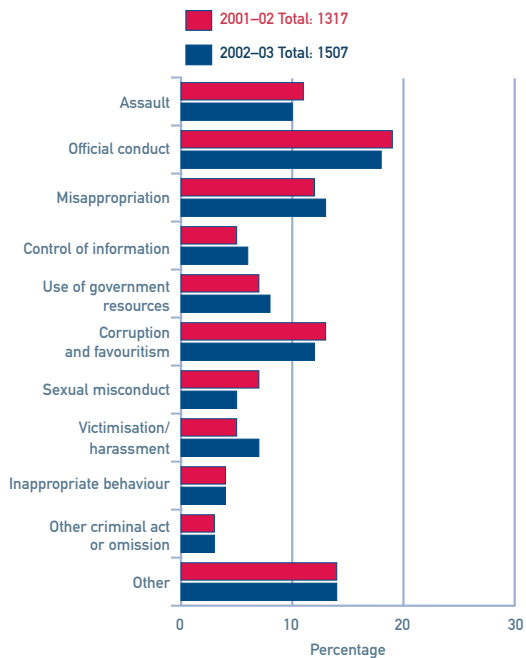
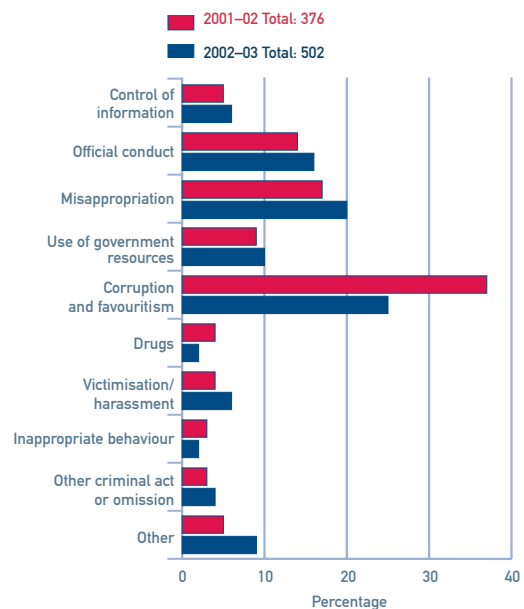


Figure 5. Types of allegations — local government



Timeliness in handling complaints

In recognition of the importance of handling complaints as quickly as possible (without sacrificing quality or accountability), we continued to look for ways to streamline the process. In June 2003 we implemented new, simplified processes, including a revised online complaints form and an improved process for letting agencies know how we assessed the complaints that concern them. By the end of June, 78 per cent of matters had been assessed within one week of registration and 90 per cent within four weeks. In future, even the most complex matters should be able to be assessed within three months.

Accessibility of the complaints process

The CMC is committed to making its complaints process as accessible as possible to all Queenslanders.

New brochures on how to make a complaint

We produced three new complaints brochures: one for complaints against public sector officers and two for complaints against police. One of the police brochures was specially targeted to an Indigenous audience. These brochures, which complement our Charter of Service, describe the sorts of complaints we are empowered to handle, explain how to make a complaint to the CMC, and outline what complainants should expect from us.

Inter-agency communications body

In May 2003 the CMC was invited to join an inter-agency communications committee comprising Multicultural Affairs Queensland, the Ombudsman's Office, the Commission for Children and Young People, the Anti-Discrimination Commission, and Health Rights Queensland. The group was initiated by Multicultural Affairs Queensland to make the complaints system of each of these agencies more accessible to people from culturally and linguistically diverse backgrounds.

Foreign language materials

In January 2003, at the request of the Vietnamese community in Brisbane, we published information in Vietnamese about the CMC and its complaints process. (Similar materials in Arabic, Bosnian, Chinese, Spanish, French, Croatian and Persian will follow.)

Monitoring complaints

The Monitoring and Support Unit (MSU) this year reviewed and audited 625 complaints referred to public sector agencies. The bulk of these (536) were handled by the QPS. At the end of June there were nine reviews awaiting action, down from 38 at the end of June 2002. Some of our reviews of complaints handled by agencies other than the QPS revealed deficiencies in the

investigation (for example, not all relevant witnesses interviewed). Others revealed a need for an overhaul of policies and procedures and/or the implementation of prevention strategies (for example, in purchasing and the use of property). In all cases the CMC provided advice to the agency.

In addition, the MSU advised agencies about the way to deal with complaints, including advice on developing case-management plans and interviewing witnesses.

During the year we contacted the directors-general of six 'high-volume' agencies (that is, agencies that receive relatively large numbers of complaints referable to the CMC) to discuss their willingness to participate in a quality-assurance project. Then, in consultation with each agency's CMC liaison officer, we began assessing the capacity of these six agencies to handle complaints. The information gathered will supplement existing information, which is largely anecdotal or based on the outcome of reviews.

At the same time, we began analysing data collected from our complaints database and our reviews and audits of complaints to identify emerging trends and other issues with a view to targeting our monitoring and capacity-building activities and providing advice to the agencies concerned. This project and the 'Responding to misconduct' survey (see page 40) will help agencies develop their capacity to prevent and deal with complaints.

In the example below, we reviewed an investigation while it was in progress, and monitored the outcome.

Corporate card misuse

Several whistleblowers alleged serious misappropriation by a regional manager in a government department. The officer had used his corporate credit card to purchase numerous items purportedly for work-related use. However, the whistleblowers alleged that the items were used for fitting out the manager's private boat. Further allegations were made in relation to corporate management failures and the misuse of overtime.

While the officer was absent on leave, an audit of departmental assets could not locate the items bought on the corporate credit card. The department then sought the CMC's advice over the whistleblowers' concerns that they could be subjected to reprisals from the regional manager, a personal friend of a number of local police officers. CMC officers from the MSU met senior officers of the department to discuss strategies for dealing with the allegations and concerns. As a result, the CMC liaised with senior police officers to ensure that the integrity of the investigation would not be compromised by the friendship between the manager and certain police officers. Detectives executed search warrants on the manager's residence and boat.

Departmental officers accompanying the police were able to identify items purchased on the corporate credit card and other departmental property that he was not authorised to possess at his private residence. The officer was arrested and charged with misappropriation. The department immediately suspended him from duty so that there was no possibility of reprisals.

After consulting with the QPS and the CMC, and having regard to the strength of the evidence against the regional manager, the department terminated his employment before the charges were heard by the Magistrates Court. The court placed the man on a two-year good behaviour bond and ordered that he repay \$3700 to the department for the credit card misuse. Other departmental property found at his residence was returned to the department.

STRATEGY:

Initiate and conduct timely and effective multidisciplinary misconduct investigations.

Misconduct investigations

Although the CMC encourages public sector agencies to take responsibility for dealing with their own workplace misconduct, sometimes there is no other, or no better, solution than for an independent body to conduct the investigation. Our special powers make us uniquely suited to investigate serious and complex matters. We focus on matters such as major fraud within government agencies, sexual misconduct, drug-related police corruption and sensitive political matters. We also handle any matter where a CMC investigation will promote public confidence.

Statistics on investigations

In 2002–03 we investigated 4.3 per cent of all matters assessed, compared with 3.7 per cent in the previous year. We finalised 155 investigations into misconduct, of which 22 per cent recommended either criminal or disciplinary action — the same percentage as last year. A further 8 per cent recommended managerial action. In all, 180 charges were recommended, 45 of them criminal charges against 31 people.

Figure 7. Number of finalised investigations

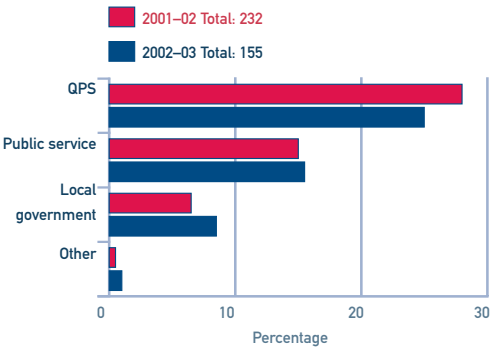


Figure 8. Types of charges

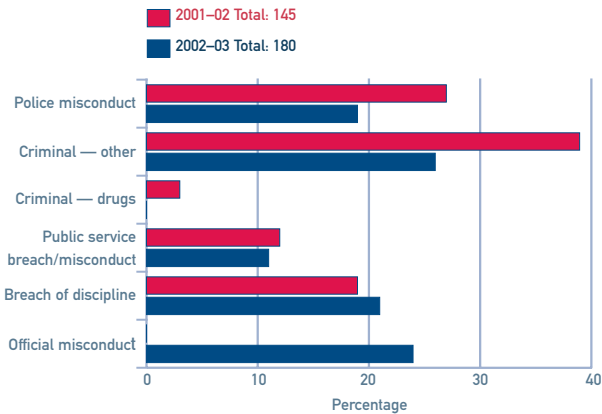
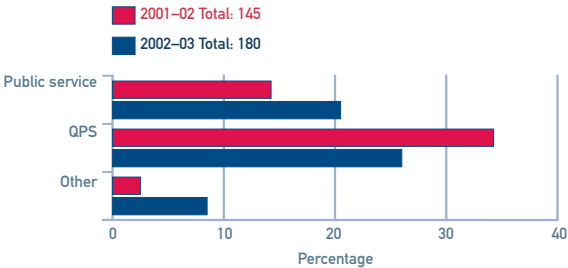


Figure 9. Types of charges by agency



Forbes Smith, Director, Misconduct Investigations.

Conducting timely investigations

At the end of June 2003, there were 57 investigations outstanding, compared with 159 at the end of June 2001 and 84 at the end of June 2002. Only three of the investigations that were incomplete at 30 June 2003 were over 12 months old. This demonstrates a steady and noticeable improvement in the rate at which CMC investigations are being conducted.

Owing to the new legislative focus in 2002–03 on investigating the more serious, complex and contentious allegations, we set a target of 90 per cent of investigations to be finalised within a year. However, we still aim to finalise 50 per cent within six months.

Examples of investigations in 2002–03

A successful conclusion to a CMC investigation may be the bringing of criminal charges or, just as importantly, the clearing of a person's name or the restoring of public confidence. The independence of the CMC means that the public is assured that no partisanship, political or otherwise, will influence any investigation or its outcome.

We use proactive and covert investigative techniques in our ongoing pursuit of corruption and other serious misconduct. Covert techniques include surveillance, listening devices and search warrants. In addition, we have special coercive powers not available to police, including the power to compel people to attend hearings. (See the section 'CMC powers' in this report.)

Our specialised research, intelligence, financial analysis, forensic computing and investigative resources provide an added advantage in furthering the success of our investigations.

Investigations that received media attention

Spending public money

In May 2002 the State Opposition raised concerns of favouritism in the awarding of contracts and grants to a Brisbane-based commercial company, Cutting Edge Pty Ltd, which was said to have too close a relationship with the Queensland branch of the Australian Labor Party and an officer in the Department of State Development.

Although a thorough and exhaustive investigation found no evidence of official misconduct on the part of any person, the investigation did reveal evidence of non-compliance with the State Government Purchasing Policy on the part of the Corporate Communications Unit of the Department of State Development. This non-compliance may have given rise to the perception of favouritism. We therefore made important procedural recommendations designed to prevent a recurrence of the events that led to these complaints. Our report, *Spending public money*, was released in November 2002.

Threatening a witness

In June 2003 Queensland's Chief Magistrate, Ms Fingleton, was jailed on the charge of retaliating against a witness. The CMC was involved in this matter insofar as it was a CMC investigation that led to the DPP charging Ms Fingleton. Our investigation was sparked by a complaint from Magistrate Gribbin, who alleged that the Chief Magistrate had improperly attempted to remove him from his position as a coordinating magistrate because he had supported another magistrate in a dispute she was having with Ms Fingleton.

Later in June 2003, the Court of Appeal dismissed Ms Fingleton's appeal against conviction, but also effectively reduced her time in prison by two months; she is now appealing to the High Court.

In explaining its decision to dismiss the appeal, the Court of Appeal pointed out that the offence of threatening a witness was regarded as serious because of its potential to deter the witness in question and others from giving evidence before courts and tribunals, which is central to the way justice is administered. The court considered that this offence was even more serious because 'it was committed by a judicial officer whose duty it is to uphold the law and, indeed, to protect witnesses against conduct of this kind'.

False complaints

The CMC will always pursue people who deliberately waste public resources and damage reputations by making complaints that they know to be false.

Indecent assault

In 2001 a man complained to the CMC that a police sergeant had indecently assaulted him in a public toilet. In investigating the matter, we obtained telephone records that established that, at the time the police sergeant was supposed to be committing this assault, he was actually reporting from a police station that he, and another police officer, had detected the man committing an offence of driving while disqualified. Court records established that the complainant pleaded guilty to the offence of driving while disqualified. In June 2002 we reported to the DPP, who recommended that the man be charged with an offence of making a false complaint under section 137 of the *Criminal Justice Act 1989*. On 4 November 2002, he was sentenced to four months' imprisonment to be served cumulatively with the prison sentence he was currently serving. Costs of \$3600 were awarded against him.

Alleged assault of man in custody

We received a complaint that a police officer had assaulted the complainant while in custody. Our investigation found two independent witnesses whose evidence suggested that the complaint was false. We have sent a report to the DPP recommending that prosecution proceedings against the complainant be considered.

Breaches of trust

Teachers hold a special position of trust in the community and most live up to that trust. Occasionally, some teachers do not, and when this happens the CMC and Education Queensland do all in their power to protect young people.

Improper relationship with maths teacher

This investigation started back in 2001 when the Criminal Justice Commission received information from Education Queensland about a sexual relationship between a maths teacher and his 17-year-old female student. The matter was finally concluded during this reporting period.

The CJC investigation established that there was sufficient evidence of an improper relationship for the matter to come before a Misconduct Tribunal. The matter was heard in August 2002, but the man did not attend. In October 2002 the Tribunal found the man guilty of two counts of official misconduct, and he was dismissed from his employment with Education Queensland.

Prolific text-messaging

On 3 June 2002 the CMC was notified by Education Queensland that a male teacher was suspected of seeking to establish an inappropriate relationship with a 16-year-old female student. The man was repeatedly text-messaging the girl, and his behaviour gave rise to a possible criminal offence of stalking.

When interviewed, the teacher admitted to inappropriate telephone contact with the girl.

Once the results of our investigation were reported to Education Queensland, the department dismissed the man and notified the Board of Teacher Registration.

Teacher at country high school

In August 2002, Education Queensland notified the CMC of concerns arising in relation to the alleged conduct of a teacher at a country high school. It was alleged that the teacher had invited female students, then aged 14 and 15 years, to travel unaccompanied with him to overseas destinations, and had engaged in other inappropriate conduct towards another 15-year-old female student.

While we found no evidence of criminal conduct, in December 2002 we recommended that Education Queensland consider disciplining the man for breaching the department's code of conduct and misusing departmental computing resources. After a show-cause process in 2003, the department imposed disciplinary penalties upon the teacher, including a formal reprimand, a transfer to another school, and a reduction in salary for a period of 12 months.

This investigation also identified a number of important procedural issues. It was found that the teacher, before working at the state school where these allegations

arose, had been employed at a private school and had left that position after concerns were raised about his alleged conduct in misusing school computing resources. The teacher was thereafter employed by Education Queensland without any checks being made with his previous employer. The CMC noted that the relevant employment application form did not require a teaching applicant to necessarily declare private sector employment.

The investigation indicated that a number of earlier complaints about this teacher had not been fully recorded by Education Queensland.

In reporting to Education Queensland on our investigation, we emphasised the importance of ascertaining the suitability of applicants for teaching positions and the need to ensure that accurate records of teachers' complaint histories were maintained.

North Queensland high-school teacher

We investigated allegations that a male teacher at a North Queensland high school was involved in inappropriate relationships with several female students.

In 1999 the mother of one of these students brought her concerns to the attention of the school and the matter was referred to Education Queensland and then to the CJC, which referred the matter back to the department for investigation.

The initial departmental investigation did not disclose evidence of any sexual relationship between this student and the teacher, although there was evidence of an inappropriate emotional relationship. Education Queensland issued the teacher with a caution.

Then, in 2001, the current principal of the school raised further concerns about the teacher, and another internal

Response to *Safeguarding students* investigative report: An update

In December 2000 the CJC tabled *Safeguarding students: Minimising the risk of sexual misconduct by Education Queensland staff*. The report made recommendations to help Education Queensland develop policies and procedures to minimise the risk of such behaviour recurring.

The department has adopted most of the report's recommendations. Those not adopted are currently under consideration by an Inter-Agency Working Party established by the department, which includes a CMC representative, and a Ministerial taskforce. The CMC has had the opportunity to consider and comment upon proposals from the working party and the taskforce.

Ultimately, the CMC will carry out a comprehensive review of the implementation of the recommendations of its *Safeguarding students* report and, in accordance with its usual practice, will produce a public report.

investigation ensued. During the course of that investigation another student expressed concerns about the teacher's behaviour towards two students. The girl involved in the initial investigation was further interviewed; she disclosed she and the teacher had in fact been involved in a physical relationship. The new information was sent to the CMC and an investigation into all the allegations began.

While some of the allegations could not be substantiated, circumstantial evidence supported the existence of a sexual relationship between the man and the first student. In February 2003 the matter was referred to Education Queensland, which proceeded with disciplinary action. The teacher was found to have committed misconduct under the *Public Service Act 1996* and to have contravened the department's code of conduct requirements. His employment was terminated and the Board of Teacher Registration notified.

Fraud cases

These cases clearly show how the CMC's special powers (unavailable to other agencies) led to the obtaining of evidence of extensive fraud in local and state government.

Fraud by council workers

Allegations were made that a council officer had corruptly received gifts and benefits in return for allocating work to a private contractor, and that the officer fabricated documents to make it appear that the council's purchasing policy of obtaining competitive quotations had been complied with. It was also alleged that other council officers were involved in corrupt activities involving private contractors.

We questioned a large number of witnesses at private hearings. The council officer admitted involvement in a corrupt arrangement with the contractor and to having received benefits including travel, accommodation, cash and gifts from the contractor as part of this arrangement. The officer stated that invoices were issued to the council for work that was not performed and that he authorised payment of these invoices. He received one-third of the value of these invoices as a result of the corrupt arrangement. This officer also admitted to being involved in corrupt arrangements with other contractors. He had invoiced the council for the cost of materials and equipment for contractors that had, in fact, been supplied by the council; he had charged the council for time spent by a contractor in performing landscaping and earthworks at his own property; and he had provided some contractors with information about the details of tenders submitted by other contractors.

One of the contractors later made full admissions, supplied CMC investigators with copies of false invoices and provided information on the amount of money that was given to the council officer.

Fraud by purchasing officer

A departmental audit revealed that a purchasing officer consistently failed to comply with the department's purchasing policy requirement that preferred suppliers (approved by tender process) be engaged for the supply of goods and services. Instead, the officer regularly used purchase orders meant for emergencies or when preferred suppliers were unavailable. The audit found that the suppliers regularly engaged by the officer were companies and individuals with whom he was associated.

We executed search warrants at a number of addresses and seized a significant amount of documentary material. Our investigation revealed that a number of companies associated with the purchasing officer had overcharged the department or had failed to supply goods and services to the department — resulting in excess payments totalling many hundreds of thousands of dollars made by the department to the companies.

Investigative hearings conducted by the CMC heard evidence of 'kickbacks' paid to the purchasing officer and other corrupt activities.

Misappropriation of clients' trust monies

We investigated an allegation that a departmental officer had misappropriated monies held in trust for clients. We found that, in just over 12 months, there had been almost 150 separate transfers of monies from the trust accounts of 65 clients to a bank account of a person associated with the departmental officer.

Following the execution of a search warrant at the officer's residence, the officer admitted the misappropriation of more than \$170 000 from clients' trust accounts. A further audit of client files managed by the officer indicated that approximately another \$10 000 had been used by the officer for payment of personal expenses. Numerous notices to discover were issued to financial institutions to obtain all banking records for the officer and an associated person.

The officer has been charged and a prevention report will be prepared on the weakness of internal controls which contributed to the opportunity for fraud to occur and to remain undetected for some time.

STRATEGY:

Enable public sector agencies to build their own capacity to effectively deal with and prevent misconduct.

Capacity-building

The Crime and Misconduct Act calls on the CMC 'to continuously improve the integrity of and to reduce the incidence of misconduct in the public sector'. One of the ways the CMC does this is through its capacity-building

role: 'the Commission is to help units of public administration to deal effectively and appropriately with misconduct by increasing their capacity to do so'.

In 2002–03 the CMC helped build the capacity of the public sector with the following activities:

- ▶ five regional visits (to Cairns, Toowoomba, Mount Isa, Rockhampton and Townsville) to consult with agencies about how to improve their handling of misconduct
- ▶ two CMC liaison officer forums, held in Brisbane
- ▶ a 'Responding to Misconduct' survey of public sector agencies to assess their misconduct risks and their ability to deal with and prevent misconduct
- ▶ strategic seminars and workshops for staff at all levels in the public sector, including presentation of papers to small groups and large conferences on public sector misconduct and ethics; and lectures to professional bodies and community groups on the role and functions of the CMC and the reporting of suspected official misconduct
- ▶ compilation of guidelines for public sector officers conducting misconduct investigations
- ▶ several risk-management system reviews
- ▶ best-practice misconduct-prevention advice on our website
- ▶ helpful misconduct-prevention advisory publications.

Regional visits

The CMC recognises that public sector agencies in regional and rural areas, including local councils, face particular difficulties in dealing with and preventing



Cairns regional visit.

In October 2002, the CMC Chairperson met with Indigenous leaders Thomas Hudson, Chairperson, Aboriginal Coordinating Council (left), and Henry Garnier, Chairperson, Island Coordinating Council (right).

misconduct. Factors such as the size of the community in which these agencies operate and their distance from other communities and major metropolitan areas can, for example, make it more difficult for public officials to separate their personal life from their public functions.

Therefore, this year we embarked on a program of visits to regional areas to speak directly to regional agencies about how the CMC can help them. The visits also provided an opportunity for the delivery of other CMC programs, services and activities.

Cairns. The Chairperson and senior CMC officers travelled to Cairns in late October 2002. The four-day visit included a seminar for public sector managers on the role and functions of the CMC, how complaints are handled by the CMC, and their responsibilities as managers to deal with and prevent misconduct. A 'train the trainer' seminar on ethical decision making and an induction information seminar for new employees were also conducted and well attended.

In addition, CMC officers met with representatives of local councils, Indigenous communities, legal services, police and community groups, and staff of the regional office of Education Queensland, to discuss the role and functions of the CMC. The Chairperson also consulted with relevant individuals and agencies on issues relating to the inquiry into the handling of sexual offence matters (for details of the inquiry, see page 46).

In Cairns, on 29 October 2002, the CMC launched important resource materials for Indigenous councils, comprising ten papers in the 'On the right track' series and the research report, *Making a difference: Governance and accountability of Indigenous councils*. The 'On the right track' papers cover a wide range of issues pertinent to Indigenous councillors and CEOs. *Making a difference* places the issues in a historical perspective, discusses responses of government, and identifies some ways forward regarding governance and accountability.

Toowoomba. In June 2003 the CMC conducted a four-day regional visit to Toowoomba. The Chairperson and various senior staff from Complaints Services and Research and Prevention gave presentations and workshops to state government departments, local government councils, legal practitioners, and university staff and students. Topics included:

- ▶ understanding reporting obligations under the *Crime and Misconduct Act 2001*, and how to deal with matters referred back to an agency
- ▶ ethical decision making
- ▶ what to do if internal auditors uncover evidence of suspected misconduct
- ▶ e-corruption, including advice from a specialist

forensic computer expert on the preservation of computer-related evidence

- ▶ induction and training sessions
- ▶ the role and functions of the CMC.

Research and Prevention also took the opportunity to launch a new research report: *On the beat: An evaluation of beat policing in Queensland* (see page 17). Toowoomba was chosen for the launch because it was the site of the original trial police beat in 1993.

Liaison officer forums

To facilitate communication between the CMC and public sector agencies, most agencies have a designated CMC liaison officer. In 2002–03 the CMC hosted two forums for liaison officers, one in September 2002 and the other in April 2003.

The September meeting, the first under the banner of the CMC, was set up to explain to liaison officers the impact of the new legislation and to provide an opportunity for them to ask us questions about our new structure and roles, particularly our capacity-building role.

At the April meeting, two seminars were held, one specifically for auditors in the Queensland public sector, and the other on the role of forensic computing within the CMC and within the investigative process generally. One hundred and fifty people from state government departments, local councils, universities, private sector consulting firms and other agencies attended.

‘Responding to misconduct’ survey

In November 2002, with the assistance of the Office of Economic and Scientific Research, we surveyed a wide range of government agencies, including departments, local government councils, including DOGIT (Deed of Grant in Trust) councils, universities and various other units of public administration such as boards and tribunals that are within the CMC’s jurisdiction. The survey gathered baseline data on the capacity of individual agencies to deal with and prevent misconduct.

This information will now be used to develop appropriate strategies to help organisations build their capacity to deal with and prevent misconduct within their own organisations. For example, we will be producing a series of issue papers on the particular risks facing various types of agencies. Additionally, we will produce a comprehensive ‘Profiling the Queensland public sector’ report.

Guidelines for dealing with misconduct

In keeping with the CMC’s new focus on sending many complaints back to the relevant agencies, we began compiling a manual to help public sector officers deal with



Manager, Misconduct Prevention, John Boyd gives a training workshop on ‘Tools and Techniques in Ethical Decision Making’ to local government and regional state government managers in Toowoomba in June 2003. CMC staff regularly give presentations to outside groups and organisations. These range from research-based conference papers to generic ‘who we are and what we do’ information. Organisations addressed include government agencies, university groups, professional bodies, stakeholder groups, and community and service clubs.

these complaints. This manual, which will include investigation guidelines, is expected to be completed later in 2003. An online version will be launched shortly afterwards.

The CMC and the Office of Public Sector Merit and Equity (OPSME) have agreed to establish a working party including representatives from Crown Law, the Department of the Premier and Cabinet, and the Department of Industrial Relations to oversee and disseminate these guidelines. The aim is to ensure that the advice given by these agencies to government departments is consistent, accessible and useful.

Risk-management system reviews

As part of our role, we carry out risk-management system reviews for government agencies that have been the subject of a CMC investigation into allegations of official misconduct.

Experience has shown that misconduct often flourishes in organisations that have poor internal controls or inadequate reporting procedures, as these help to conceal corrupt activities, protect wrongdoers from exposure, and lead to the victimisation or harassment of whistleblowers. By examining management and administrative deficiencies, risk-management reviews help agencies analyse how they control and prevent misconduct, and help them identify the weak points and loopholes that might be exploited by unscrupulous people.

Examples of risk-management system reviews are given on the next page.

Purchasing problems in large agency

A major report was developed as part of a complex CMC investigation into purchasing activities at a large public sector agency where official misconduct was suspected. We produced the report to help the agency:

- ▶ identify workplace areas, activities and management practices that posed a risk of corruption and misconduct
- ▶ formulate strategies to minimise the risks associated with purchasing and control of goods and services, and related management practices
- ▶ develop strategies for remedial action with regard to other misconduct issues identified during the course of the CMC investigation
- ▶ build its capacity to prevent and deal with a range of misconduct issues, and to build an ethical workplace culture.

Misuse of Internet and email resources

A CMC systems integrity study was undertaken after the discovery of 142 524 files, occupying 77.67 Gb, of sexually explicit images stored on a computer within a key government agency. CMC computer forensic analysis also found 37 CD-ROM disks and two DVD-RAM disks containing sexually explicit material near associated workstations.

We identified strategies to enhance information systems security and minimise misconduct risk. Major recommendations ranged from the need for stronger IT security measures through to improved training of staff and the need for better procurement practices. The outcome for the agency has been a more secure IT environment, which will be complemented by other ongoing reviews, and desirable organisational changes in the policy, systems process and compliance areas.

Conflict of interest leads to favouritism

The CMC received allegations that a staff member of a regional council's water business unit was improperly favouring particular local businesses in the purchase of equipment and supplies as a result of a personal conflict of interest. Investigations indicated some policy and procedural weaknesses that appeared amenable to practical measures to minimise misconduct risk.

The project involved discussions with council officers, examination of council policies and procedures, and a brief analysis of procurement processes. The outcome was a major advisory report containing more than fifty recommendations identifying strategies to improve the council's misconduct resistance, together with a commitment by senior staff to implement change.

Enhancing university integrity

Two separate complaints of dual employment by staff of a leading university were reported to the CMC. They each involved potential frauds with a combined value

well in excess of \$200 000. Complaints from other tertiary institutions raised the same or similar risk issues.

As a result, an advisory report, *Enhancing university integrity*, was prepared. The report summarised the key areas of risk associated with such cases, drawing on qualitative material from the associated investigations, and proposing a number of related prevention measures. The report was oriented towards the adoption of an integrated risk management and misconduct prevention strategy, and also suggested various integrity-building measures for long-term development.



Best-practice advice on misconduct prevention on the CMC website

To provide easily accessible information and resource materials on a range of misconduct issues, we developed a Misconduct Prevention Best Practice Advice portal on the CMC website.

These materials incorporate information resources and

downloadable items, and also offer Internet links to externally sourced information and resources from other reputable sources. This user-friendly facility provides easy access to information that will help to build the capacity of government agencies to prevent and deal with a range of misconduct issues. (The portal was launched early in August 2003.)

Misconduct-prevention publications

A number of advisory resources on a range of issues affecting the public sector were researched and will be published as Research and Issue papers in the next financial year. These are:

- ▶ *Answering the charges: Guidelines for corporate card use* — an advisory guide of best practices in the use of corporate purchasing cards, which will highlight risks, and identify suitable risk-management and misconduct-prevention strategies. Primarily targeting government agencies, the resource will also be applicable to organisations in the broader community as an education and training resource. (Published July 2003.)
- ▶ *Regulatory risks* — an issues paper targeting government agencies involved in regulation, licensing and approval functions, to help inform these agencies about the misconduct risks involved in their sphere of activity, and contribute to their efforts to reduce the risk of public sector misconduct. (Published July 2003.)
- ▶ *E-corruption, e-fraud and e-security* — an advisory guide to help identify the risks and provide

misconduct-prevention information on these issues, and to help government agencies formulate strategies to minimise the risks associated with e-governance and general Internet-related activities.

Other projects include:

- ▶ To help the Department of Corrective Services manage and minimise risks associated with inappropriate relations between prison staff and inmates, we have begun a project to identify the risk areas and advise on effective prevention strategies.
- ▶ We have commissioned a research officer from Griffith University's Key Centre for Law, Integrity, Ethics and Governance to prepare advisory prevention materials on creating favourable reporting climates within organisations. The publication is due for release later in 2003.
- ▶ We are preparing an issues paper for local government on the disclosure of material personal interests in light of three recent cases investigated by the CMC. The paper will provide up-to-date information and advice to councillors in the lead-up to the March 2004 local government elections.

STRATEGY:

Pursue collaborative opportunities to work with other agencies to maximise capacity-building and prevention outcomes.

Working collaboratively

Section 59 of the Crime and Misconduct Act calls on the CMC to work cooperatively with public sector agencies to achieve optimal use of available resources. Accordingly, we have consulted and liaised with key partner agencies, such as the Ombudsman, the Queensland Audit Office, the Office of Public Sector Merit and Equity, and the Integrity Commissioner to:

- ▶ ensure an integrated approach to improving the ability of public sector agencies to deal with misconduct
- ▶ assist public sector agencies to integrate misconduct prevention strategies with other corporate and accountability requirements.

Conflict-of-interest guidelines

The NSW Independent Commission Against Corruption (ICAC) and the CMC agreed to work together to produce a best-practice guide. The guide will draw on the accumulated experience and publications of both

Accolades for misconduct prevention officers

QNISA

Misconduct prevention officers were rated highly this year by the Queensland National Integrity Systems Assessment (QNISA) process as an important partner for the advancement of integrity. They were described as:

- ▶ highly relevant to the advancement of integrity in public sector agencies
- ▶ providing the most support to public sector agencies
- ▶ receiving the most support from public sector agencies.

The QNISA — a world pilot — was the first stage of a nationwide assessment of the integrity systems operating in and through public and private sectors. The assessment comprised interviews, questionnaires and workshops involving major integrity agencies and 24 public agencies.

Appointment

At the Institute of Internal Auditors (IIA) 2003 International Conference held in the United States, John Boyd, Manager, Misconduct Prevention, delivered a joint presentation with the incoming International Chairman of the Board of the IIA (Bob McDonald — Director, Internal Audit, Department of Natural Resources and Mining) on Fighting Corruption in the Public Sector. Mr Boyd was also reappointed as one of seven members of the IIA International Ethics Committee, which prepares Practice Standards and deliberates on ethics standard issues for the internal auditing profession internationally.

Invitation from leading international body

Misconduct Prevention Officer Narelle George was invited by global anti-corruption body Transparency International to coordinate and chair the workshop E-Corruption and Unmanaged Risk for the 11th International Anti-Corruption Conference, 'Different Cultures, Common Values', in Seoul, South Korea in May 2003.

organisations and be driven by case studies. We foresee that this publication could become a national standard used by other watchdog agencies.

The development of a national standard would fit in with developments internationally. In May 2003 the Organisation for Economic Cooperation and Development (OECD) published international standards. The CMC and ICAC would be among the first to develop a practical guide based on these new OECD standards.

The CMC's Capacity Development Manager and the Manager, Misconduct Prevention, attended a national workshop in Sydney on 3 June 2003, which was hosted by

ICAC. A follow-up workshop between project staff from ICAC and the CMC to develop a detailed project proposal was held on 17 and 18 July 2003 in Brisbane and a draft project plan was developed.

Playing a part in international ethics

International ethics conference

The CMC was a sponsor of the International Institute of Public Ethics Biennial Conference 2002, held in Brisbane in October 2002. The CMC Chairperson delivered the keynote presentation, 'Fostering Queensland public sector integrity: An example of an integrated integrity system'.

Queensland Public Sector Ethics Network

CMC representation has continued at the quarterly meetings of the Queensland Public Sector Ethics Network, which is coordinated by the Office for Public Sector Equity and Merit. Throughout the year, CMC officers have provided network meetings with information sessions on current misconduct issues and CMC capacity-building activities.

Corruption Prevention Network

The CMC continued to support the development of the Corruption Prevention Network (Queensland) — a self-sufficient network of officers at all operational levels, drawn mainly from the public sector, with an interest or involvement in misconduct and corruption prevention.

Local government liaison meetings

Each quarter, the CMC meets with representatives from the Queensland Audit Office, the Queensland Ombudsman and the Department of Local Government and Planning for the Quarterly Local Government Meeting. These meetings provide the agencies concerned with an opportunity to coordinate strategies and activities, exchange information, share ideas, report on major projects and provide an update on current issues and publications that have an impact on local government.

Queensland purchasing activities

The CMC collaborated with Queensland Purchasing to promote the CMC suite of 'Public scrapbook' publications, which deals with the effective and ethical disposal of scrap and low-value assets. This promotion included a joint mailout venture targeting disposal officers throughout the state public sector.

The CMC also liaised with Queensland Purchasing on potential policy issues involving the use of government procurement conditions, and the subsequent joint development of a guide on purchasing and tendering for the public sector.

RAISING PUBLIC SECTOR INTEGRITY: OUTLOOK 2003–04

We will:

- ▶ assess an estimated 2900 complaints
- ▶ finalise an estimated 120 investigations
- ▶ conduct reviews and audits of matters dealt with by public sector agencies
- ▶ publish guidelines for dealing with misconduct and post these guidelines on our website
- ▶ continue to undertake regional visits, aiming for two major visits a year
- ▶ work to increase public accessibility to our complaints process
- ▶ increase public availability of investigative, monitoring and misconduct-prevention reports
- ▶ use the data collected from the 'Responding to misconduct' survey to help meet the capacity-building needs of government agencies
- ▶ develop protocols with key agencies to facilitate complaints-handling and capacity-building functions
- ▶ conduct a joint ICAC–CMC conflicts-of-interest project.

RESEARCH

The CMC provides high-quality research into crime, misconduct and policing.

The Commission has a long history of conducting high-quality research and evaluation projects designed to fight crime and corruption and improve the standard of policing in Queensland.

Before the 1980s, there was very little independent research into criminal justice and policing matters in Queensland. The Fitzgerald Inquiry changed all that when it called for an independent body to address issues relevant to criminal law. This responsibility was given to the newly formed Criminal Justice Commission.



Dr Paul Mazerolle, Director, Research and Prevention, leads the CMC's research and misconduct-prevention functions.

Initially, the CJC's research agenda was largely determined by Fitzgerald's recommendations. Accordingly, the CJC published reports on homosexuality, prostitution, gaming laws, cannabis law reform and police powers. The publication of the first Criminal Justice System Monitor in 1996 marked a move into a more active monitoring role for the CJC. We also began producing discussion papers to inform the community on issues of general concern, such as residential burglary.

Some of our criminal justice reform projects were prompted by our investigations, for example when we published a report on the problems faced by Aboriginal people as witnesses in the criminal justice system.

In 1998 the CJC's research function joined forces with the corruption prevention function to form Research and Prevention. This was in recognition of the close link between the two — research often prompts the need for corruption prevention activity, while corruption prevention activity often uncovers the need for research.

Today, the work of Research and Prevention permeates almost all areas of the CMC and contributes fundamentally to the organisation's two key outputs of fighting major crime and raising public sector integrity.

Staff are organised into six 'streams', which correspond to the priority areas of policing, misconduct prevention, crime prevention, illicit drugs, paedophilia, and Indigenous liaison. The diagram on page 45 outlines the primary responsibilities of these six streams and refers to the pages where these matters are discussed in this report.

In addition, Research and Prevention provides support to the corporate functions — for example, by assisting in the development of organisational performance measures. Corporate and cross-unit support activities such as these are shared across the six streams.

RESEARCH & PREVENTION

Major stakeholders

- Queensland public

Government departments

- Aboriginal and Torres Strait Islander Policy
- Corrective Services
- Families
- Queensland Health
- Justice and Attorney-General
- Premier and Cabinet
- Queensland Police Service

Agencies

- Australian Institute of Health and Welfare
- Commission for Children and Young People
- Integrity Commissioner
- Office of Economic and Statistical Research
- Office of Public Service Merit and Equity
- Ombudsman's Office
- Queensland Audit Office

Indigenous matters

- Aboriginal Community Councils (DOGIT and Shire)
- Island Community Councils (DOGIT and Shire)

Criminology

- Australian Institute of Criminology
- Crime Statistics Unit
- Criminology Research Council
- Social Science Research Network

Educational institutions

- Bond University
- Griffith University
- James Cook University
- The University of Queensland
- Queensland University of Technology

Other

- Corruption Prevention Network
- CEOs of local authorities, state government departments, universities and statutory authorities
- internal auditors
- professional associations (including IPAA, IIA, CPA, LGAQ, LGMA)
- schools of criminology, justice studies, social science

Policing — see pages 13–18

Monitor and report on significant developments in policing.

Promote improvements in police methods of operation by conducting pilot projects and disseminating research.

Conduct research on trends in, the causes of, and the prevention of misconduct by police.

Monitor implementation of significant CMC reports.

Crime prevention — see pages 26–28

Provide policy makers and/or law enforcement authorities with policy-relevant information, particularly on paedophilia and drugs.

Monitor 'what works', 'what doesn't work' and 'what looks promising'.

Collaborate with the Crime function to integrate research data and/or prevention advice with operational activities.

Drugs — see page 26

Undertake major research projects into illicit drugs, particularly amphetamine abuse.

Establish benchmark data on statewide levels of illicit drug use, to help monitor trends in illicit drug use.

Collaborate with key agencies such as the AIC in the monitoring of illicit drug use and the relationship of such use with other crimes such as property crime and violent offences.

Paedophilia — see pages 27–28

Undertake research assessing the range of court outcomes for sexual offences against children.

Undertake research into the nature of sexual victimisation among prisoners.

Provide an Internet-based information service for those interested in paedophilia-related legislation, research, support services, and publications.

Misconduct prevention — see pages 41–43

Report on significant developments in the capacity of external agencies to identify, deal with, and prevent instances of misconduct.

Provide targeted advice and assistance to external agencies aimed at enhancing their capacity to deal with misconduct.

Undertake detailed analyses of organisational exposure to risks of misconduct.

Provide 'general audience' advice about the rights and obligations of employers and employees in relation to potential instances of misconduct.

Indigenous liaison — see pages 47–50

Provide advice and information about governance and misconduct prevention strategies to Indigenous organisations.

Help Complaints Services deal with complaints made by Indigenous people.

Address criminal justice issues affecting Indigenous people.

Staff of Research and Prevention coordinated an important CMC public inquiry into how the criminal justice system handles sexual offences, and began an evaluation of the *Prostitution Act 1999*.

Public inquiry

This inquiry was prompted by the public furore over the decision by the Director of Public Prosecutions (DPP) to drop charges of indecent dealing against Mr Scott Volkens, a well-known Australian swimming coach. Comment by political leaders and in the media over the handling of the Volkens case raised concerns about how the QPS and the DPP were handling sexual offence matters. Questions were also raised regarding the sufficiency of laws relating to the naming of people accused of such offences during the criminal justice process.

In September 2002 the CMC sought permission from the Premier to conduct the inquiry and in October 2002 we called for submissions. Written submissions were received from eight government departments and agencies, ten legal organisations, ten community organisations, two media groups, three academics and 39 individuals. Most of the individual submissions were from people with first-hand experience of the criminal justice process, as either a victim or an alleged perpetrator.

Two days of public hearings were held in November 2002, at which 21 witnesses appeared and the views of a range of organisations and individuals were publicly presented for examination. Researchers also reviewed local and international literature relevant to the terms of reference and analysed police and court data to assess recent trends in Queensland. Twenty consultations were conducted with a range of academic, community, government and legal agencies (including the judiciary) and individuals. In addition, more than 75 callers made telephone submissions. Information from the separate Volkens investigation was also considered.

The report of the Volkens investigation, entitled *The Volkens case: Examining the conduct of the police and prosecution*, was published in March 2003 and the report of the public



Seeking justice.

The report of the inquiry into how the Queensland criminal justice system handles sexual offence matters, *Seeking justice*, was largely prepared by Senior Research Officer Dr Margot Legosz and Senior Misconduct Prevention Officer Ray Bange.

inquiry, *Seeking justice: An inquiry into how sexual offences matters are handled by the Queensland criminal justice system* was published in June 2003. The report contained 24 recommendations for criminal justice system reform, which aimed to:

- ▶ improve the collection and dissemination of forensic evidence, including interview material, for the prosecution of sexual offences
- ▶ reduce the stress associated with the criminal justice process for victims and the accused
- ▶ enhance the timeliness of handling sexual offence matters
- ▶ enhance community confidence in the fairness and objectivity of the process
- ▶ enhance court proceedings by having better-prepared police briefs and earlier legal intervention
- ▶ enhance training for all police officers in the sexual offence squads
- ▶ improve supervision and communication practices within the QPS.

Evaluation of Prostitution Act

The *Prostitution Act 1999*, which came into effect in 2000, requires the CMC to evaluate the Act's effectiveness three years after its implementation. We have begun work on this evaluation and will be calling for submissions from those members of the public who consider that they can provide constructive comment on the operation and effectiveness of the Act.

WORKING WITH INDIGENOUS COMMUNITIES

The CMC is committed to working effectively with Indigenous communities.

The challenges faced by Indigenous people have historically received special interest and consideration by the Commission. Representing just over 3 per cent of the population, Indigenous people in Queensland are over-represented in our prisons and experience disproportionately high levels of social problems, including crime, violence, child-sexual abuse and poverty.

This section of the report focuses on our activities in 2002–03 in the areas of:

- ▶ the CMC's Aboriginal and Torres Strait Islander Liaison and Education Program
- ▶ capacity-building within Indigenous councils
- ▶ Indigenous people and the police
- ▶ crime prevention.



NAIDOC.

The CMC Musgrave Park Stand during NAIDOC in July 2002.

Aboriginal and Torres Strait Islander Liaison and Education Program

The CMC's Aboriginal and Torres Strait Islander Liaison Program exists to build good relationships between the CMC, the police and Indigenous people and to ease the tensions that surface from time to time. Liaison officers regularly visit Indigenous communities with investigation teams and complaints officers to work towards resolving conflict between the police and the community.

Especially important to the success of this liaison program is collaboration and cooperation with Indigenous communities. To facilitate these activities, since 1993 we have hosted an Aboriginal and Torres Strait Islander Consultative Committee meeting every two months. The committee is made up of representatives from various organisations. The CMC shares information with the committee and invites Indigenous input into all initiatives undertaken.

Liaison officers from the CMC are in regular communication with officials from the Aboriginal Coordinating Council (ACC) and the Indigenous Coordinating Council (ICC) to discuss programs and projects. Communication with other government departments and service providers is also vital to the CMC Indigenous liaison role. Liaison officers have good working relationships with the Department of Aboriginal and Torres Strait Islander Policy (DATSIP) and the Queensland Audit Office (QAO), and have consulted with them regularly on recent projects.

This year, the CMC's Aboriginal and Torres Strait Liaison and Education Officers:

- ▶ facilitated six regular CMC – Aboriginal and Torres Strait Islander Consultative Committee meetings
- ▶ organised CMC participation in NAIDOC at King George Square and Musgrave Park, Brisbane, in 2002 and 2003, and at Munro Martin Park, Cairns, in 2003

- ▶ visited Cherbourg, Woorabinda, Hopevale and Yarrabah Aboriginal Councils
- ▶ assisted the CMC's Complaints Section with mediation between the police and members of the Aboriginal communities of Laura
- ▶ accompanied senior CMC and QPS officers to Thursday Island
- ▶ presented information to Justice Studies students of the Southbank TAFE Kangaroo Point Campus and Bremer TAFE at Ipswich
- ▶ attended the regular Aboriginal and Torres Strait Islander – QPS Reference Group meetings.

Capacity-building within Indigenous councils

The CMC responded this year to recurring concerns emanating from the Indigenous community about the scarcity of well-qualified, competent clerks and CEOs in Indigenous councils. Training deficiencies appear to be the crux of the problem. Hence, we distributed an information kit entitled 'On the right track', designed to raise awareness of ethical issues and help council staff fulfil their ethical obligations. The kit provides Aboriginal and Torres Strait Islander councillors and staff with practical advice on issues that they are likely to face in their everyday work. Titles are:

- 1 *Good governance*
- 2 *Being open and transparent*
- 3 *Making strong decisions*
- 4 *Dealing with conflicts of interest*
- 5 *Using council property*
- 6 *Dealing with personal and confidential information*
- 7 *Dealing with inappropriate behaviour and official misconduct*
- 8 *Developing a code of conduct*
- 9 *Developing a reporting and disciplinary process*
- 10 *Risk management — look ahead and look out!*



Bonnie Eggmolesse and Dan Abednego, the CMC's Indigenous Liaison Officers, are in regular communication with officials from the Aboriginal Coordinating Council, the Island Coordinating Council, the Department of Aboriginal and Torres Strait Islander Programs and the Auditor-General regarding programs and projects for Indigenous communities. In addition, the CMC has an Indigenous Complaints Officer who is available to help Indigenous people lodge complaints.

In 2002–03 the CMC sponsored an Indigenous cadet through the National Indigenous Cadetship Program, which is run through the Department of Employment and Workplace Relations. He is undertaking a Bachelor of Laws degree at Queensland University of Technology.

The CMC also runs regular cultural awareness training sessions for all CMC staff.

The kit was well received and will shortly be followed up with workshops. It is hoped that the kit and the workshops will help Indigenous councils attract and retain good staff.

As part of the 'On the right track' series, the CMC produced two information sheets that aim to increase community awareness about the role of councils and council staff, Councillors and Council Chairpersons. As well as outlining the role of the CMC, the sheets explain what constitutes official misconduct.

At the same time, the CMC published a booklet entitled *Making a difference*, which targets DOGIT (Deed of Grant in Trust) councils and aims to improve their awareness of their corporate governance obligations.



Ten papers from the 'On the right track' series.

Our objective is to promote concepts of good governance within Indigenous councils.

A report from the Chairperson of the Consultative Committee

by Lorraine Robinson, Chairperson of the CMC–Aboriginal and Torres Strait Islander Consultative Committee

The CMC – Aboriginal and Torres Strait Islander Consultative Committee has been meeting every two months for a little over ten years. The primary role of the committee is to provide a forum for the free exchange of information, receive briefings on relevant CMC projects and activities, offer advice on traditional and cultural aspects of any criminal justice issue affecting the Aboriginal and Torres Strait Islander community, and raise the profile and cultural awareness of the Aboriginal and Torres Strait Islander peoples and communities to the CMC.

At these forums, members of the committee raise and discuss issues such as:

1. the development and marketing process for brochures such as *Making a complaint against a police officer* for Indigenous complainants and the 'On the right track' information kit on good governance for Aboriginal and Torres Strait Islander councils
2. the employment of the Indigenous Complaints Officer within the CMC
3. the preliminary stages of the public inquiry into the abuse of children in foster care in Queensland.

The Committee continues to have an important role in the CMC consultation process. I would like to extend my appreciation to all the committee members and look forward to working together in 2003–04.



CMC – Aboriginal and Torres Strait Islander Consultative Committee.

(Standing left to right) Richard Monaei, Bill Ivinson, Paul Mazerolle (CMC), Brendan Butler (CMC), Cathy Tregoea (CMC), Dan Abednego (CMC), Peter Opio-Otim, Greg Shadbolt.

(Seated left to right) Leslie Barney, Rita Nona, Eunice Watson, Lorraine Robinson (Committee Chair), Bonnie Eggmolesse (CMC), Lisa Florence (CMC), Helen Couper (CMC).

The 'On the right track' materials were developed in consultation with DATSIP, the ACC, the ICC, the Financial Accountability Improvement Committee (FAIC), the QAO, and the Queensland Ombudsman's Office, as well as some individual Aboriginal councils.

An 'On the right track' workshop is currently being developed for late 2003. This will include the provision of a facilitators' workshop guide for developing codes of conduct and disciplinary procedures. This material is currently being finalised and will then be trialled in a number of regional centres before being more widely distributed and publicised.

As part of the 'On the right track' kit and workshop, we plan to produce a video specifically aimed at Indigenous communities. This project may take a significant amount of time and resources but, once finalised, will directly complement the 'On the right track' package.

Indigenous people and the police

A small but significant number of complaints received by the CMC relate to Indigenous people and their interaction with police. In recognition of this, in November 2002 we

successfully pioneered a new approach to dealing with conflicts between police and Indigenous people.

The new approach grew out of complaints by two Aboriginal men in Far North Queensland about the way they were arrested and treated by police.

In examining that case, we saw the benefits that could be gained by tackling the problem of police–Indigenous interaction as a whole. We could see that what was needed was for the main players — the Aboriginal community, the police, and the complainants themselves — to come to a better understanding of each other's point of view. Accordingly, we arranged cross-cultural training and mediation.

Mediation of complaints about police in Queensland is not new — it has been around since 1991. However, the matter in Far North Queensland was probably the first time Indigenous people and police in Queensland (and possibly in Australia) had mediated issues about police conduct. Moreover, the process was different from any other mediation in the past because the CMC was more involved in facilitating and monitoring the process; the Aboriginal and police parties undertook cross-cultural training before mediating; and meetings were conducted

in the Aboriginal men's community after the mediation. These meetings gave the men the opportunity to report to their families and the community about the mediation and the outcome, and gave senior CMC and police officers the opportunity to discuss with the community a timetable for dealing with the procedural and managerial recommendations that had come out of the mediation.

To facilitate the process, the CMC consulted extensively with police in the Far Northern Region, the police Ethical Standards Command, members of the Indigenous community, the Tharpuntoo Cape York Legal Service Aboriginal Corporation, and the Dispute Resolution Centre of the Department of Justice.

The mediation resulted in recommendations for procedural and managerial changes within the QPS to improve the relationship between police and the Aboriginal community involved. The success of this approach was due to the cooperation of the agencies and the goodwill of the Aboriginal people and the police officers concerned.

All involved were optimistic that this would lead to improved long-term relationships between the two groups and that this process could be used effectively in other parts of the state.

This approach reflects our desire to find more culturally appropriate ways of dealing with police behaviour. Better understanding between police and members of the Indigenous community could ultimately result in reduced prison rates for Indigenous people.

The QPS has established a working party coordinated by its Cultural Advisory Unit to consider and implement the recommendations that have statewide implications.

Crime-prevention research

The sexual abuse of children is a major social problem in many Indigenous communities. It is the intention of the CMC to work in partnership with key government departments and community groups to push towards implementing an effective prevention program. Planned activities in relation to the 'Offending against Children in Indigenous Communities' initiative include:

Consultations with major stakeholders

A series of consultations about the nature and extent of the problem of sexual abuse of children in Indigenous communities and the likely components of a crime prevention project will be canvassed with key client groups over the coming months, including the CMC's Aboriginal and Torres Strait Islander Consultative Committee.

Key stakeholder forum

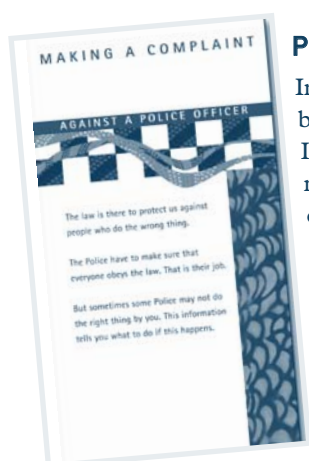
The CMC will host a forum to bring together senior representatives from a range of government departments and Indigenous organisations, seeking their commitment to developing a focused crime-prevention program to reduce child-sexual abuse at selected Indigenous communities. This forum will possibly mark the first stage of a cross-government initiative.

What works in prevention programs

Research officers from the CMC will comprehensively review the available evaluation research literature on the prevention of sexual abuse of children. The review will identify principles associated with effective prevention programs and provide a guide towards the development and implementation of an effective program in the future.

Identifying paedophiles and children at risk

The CMC's Strategic Intelligence Unit is engaged in a project to assess methods that may usefully be employed by the CMC, either acting alone or in collaboration with other agencies and departments, to identify both the victims of paedophilia and the perpetrators of such crimes. Where appropriate, we will undertake tactical operational work or assist the QPS in relation to child-sex offender investigations in Indigenous communities.



Police complaints brochure

In June 2003 we published a brochure specifically for the Indigenous community on how to make a complaint against a police officer. The brochure, produced in cooperation with the Ethical Standards Command of the QPS, has a cultural focus.

PROTECTING WITNESSES

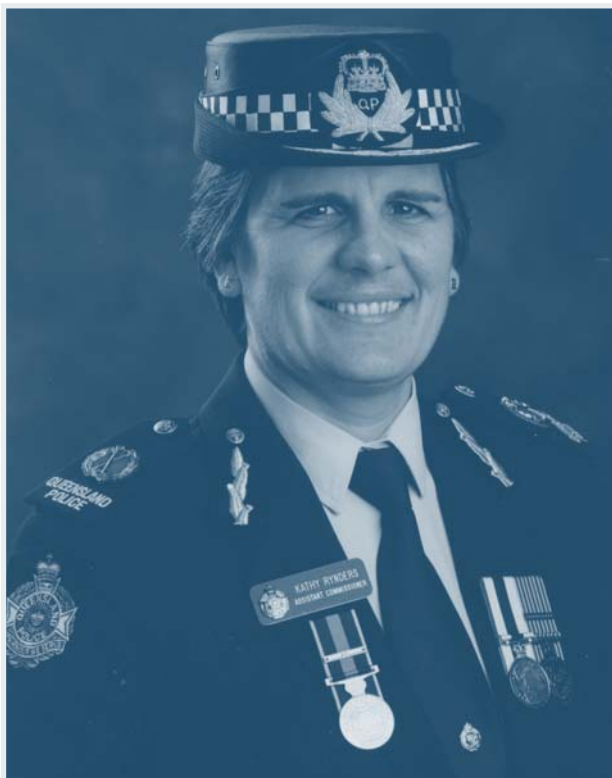
The CMC provides an effective witness protection service.

STRATEGY:

Provide quality, timely, cost-effective support to protected witnesses.

Witness protection has been offered in Queensland since the Fitzgerald Inquiry of 1987–89. Since that time, the Witness Protection Unit has protected 1129 people, with a success rate of 100 per cent. Witnesses come from all walks of life. They include victims of crime, innocent bystanders to a crime, and people who have inside information about criminal or corrupt activity, generally because they are themselves associated with crime or corruption.

This section of the report details the CMC's achievements in the area of protecting witnesses.



Assistant Commissioner Kathy Rynders, Director, Witness Protection and Operations Support, leads the CMC's Witness Protection function.

In 2002–03 the CMC protected 141 people (compared with 129 in 2001–02), including 46 who were already receiving protection at the start of the year; none came to any harm.

Before a person can be admitted to the program, we assess the level of threat to determine if the person fulfils the eligibility criteria contained in section 6 of the *Witness Protection Act 2000*. Current operations are also re-assessed when circumstances change. It may take up to eight weeks for a person to be formally admitted to the program, but interim protection is usually offered within two days of an application being received, or immediately if necessary.

A person does not have to be a witness in a court of law to qualify for witness protection, but the person does have to have helped a law enforcement agency and be in danger because of having done so. Witness protection can involve relocating the person and may include the creation of a new identity. It may also extend to relatives and associates.

This year, 126 threat assessments were conducted, which was much the same figure as last year (125). As at 30 June 2003, court security was being provided for 61 witnesses (compared with 60 in 2001–02).

Award

In November 2002 the CMC's Witness Protection Unit and individual officers received a QPS award for Excellence in Operational Policing. They received this award for having successfully conducted the largest and most complex court-security witness protection operation ever conducted in Australia.

The operation involved providing concurrent protection to 11 witnesses, who gave evidence against numerous members and associates of an outlaw motorcycle gang in committal proceedings over a two-week period, and subsequent concurrent protection to 14 witnesses who were summoned to give evidence at three separate trials in

the Cairns Supreme Court. The criminal investigation resulted in 27 offenders being convicted on 131 charges relating to drug trafficking, other drug offences, aggravated extortion, torture, deprivation of liberty and property offences.

STRATEGY:

Develop methodologies for providing effective witness protection.

Witness protection course

Effective witness protection depends very much on well-trained officers, but until recently there was no specific accredited witness protection course. Officers, who are usually police officers, received on-the-job training.

The first formal witness protection course ever to be conducted in Australia was conducted at the CMC from 10 June to 5 July 2002. The course was based on the national competencies for witness protection officers. It involved representatives from the CMC, QPS, New South Wales Police, New Zealand Police and the United States Marshals Service.

This witness protection qualification, an advanced diploma, is the first specialist qualification to be delivered under the Public Safety Training Package. There are nine specialist qualifications under this package, all of which are to have their level of qualification determined. The Witness Protection Course is being considered by the Australasian Police Professional Standards Council as the course to provide the benchmark in witness protection training.

The Witness Protection Unit has recognised current competencies for existing members of the unit, in line with those identified in the nationally accredited witness protection course; this ensures that staff are appropriately trained to perform the duties of witness protection in accordance with section 35 of the Witness Protection Act.

Amendments to the Act

The Witness Protection Act is effective in preventing disclosure of witness protection operations, formalising procedures and enhancing the integrity of the witness protection program. However, some amendments to the Act (and to the Crime and Misconduct Act) are necessary to assist the CMC to provide a more professional program. This year we recommended the following amendments:

Table 13. Statistics on witness protection in 2002–03

People protected	141
Operations	68
Protection at court	61
Referrals	190
Acceptances	94
Arrangements concluded	74 people in 37 operations
As at 30 June 2003	67 people in 31 operations
Threat assessments	126

Table 14. Persons protected, operations and referrals 1987–2003

	Current applicants*	Current operations	New referrals
1987–88	96	32	111
1988–89	116	42	29
1989–90	150	56	53
1990–91	176	66	62
1991–92	228	87	97
1992–93	201	76	86
1993–94	192	74	123
1994–95	206	83	155
1995–96	198	80	138
1996–97	174	70	128
1997–98	112	53	102
1998–99	114	58	136
1999–2000	153	72	165
2000–01	153	73	195
2001–02	129	63	199
2002–03	141	68	190

* A person can apply for protection more than once.

Assumed identities for officers

An assumed identity is a false identity that may be assumed by a witness protection officer for a set period for the purpose of protecting a witness. The CMC currently relies on section 15 of the Witness Protection Act to obtain false identities for witness protection officers.

It is vital to the security of witness protection operations that officers, as well as witnesses, are able to conceal their true identities when necessary. Therefore, we are seeking to have included in the Witness Protection Act a section empowering the CMC Chairperson to authorise the acquisition and use of assumed identities by witness protection officers.

Short-term court security

We have identified the need to offer short-term witness protection for matters such as ‘court security only’ situations. This innovation is useful for those witnesses who do not want to be relocated and cut off from their previous lives, yet are willing to help if they can be protected at court, where they feel the most vulnerable.

We are hoping to bring about an amendment to the Witness Protection Act that will streamline procedures and lead to a more efficient witness protection service.

Suspension criteria

At present, if a protected witness behaves in a way that threatens the integrity of the program nothing can be done until a decision is made whether or not to terminate protection. We would like to see the Act amended to allow us to immediately suspend protection until a decision on termination is made.

Making it an offence to disclose information about protected witnesses

The Act as it currently stands makes it an offence to disclose information about a person under witness protection, but does not make it an offence to disclose information about the witness protection program. We believe this is just an oversight in the drafting of the legislation and that it needs to be rectified.

Extending the CMC’s power to issue notices

At present, the CMC has the power to require people to provide documents or other things in support of its crime and misconduct functions — but not in support of its witness protection function. We would like to see this power extended to witness protection because the information obtained could help us locate witnesses or identify people who may be compromising protection arrangements.

Memorandum of understanding

Protracted negotiations recently resulted in a memorandum of understanding between the CMC and the Registrar-General of Births, Deaths and Marriages to facilitate new identities for protected witnesses.

STRATEGY:

Proactively develop working relationships with client law enforcement agencies.

Workshop

In June 2003, the CMC hosted a two-day workshop on the Implementation of National Competencies in Witness Protection Training Throughout Australasia. Witness protection representatives from all Australian states except South Australia and Tasmania, the Australian Federal Police and New Zealand attended. Outcomes from the workshop are to be reported to the next Australasian Heads of Witness Protection Conference planned for late 2003.

Conference

Staff of the Witness Protection Unit attended the Australasian Heads of Witness Protection Conference in Auckland, New Zealand from 22 to 24 October 2002. The conference was an essential forum for the senior management teams of Australian witness protection units to discuss issues, exchange ideas and develop policy and procedures for witness protection across Australia. The conference confirmed that the CMC’s Witness Protection Unit holds lead agency status in witness protection training in Australia.

Overseas agencies

To keep up with worldwide trends in witness protection, two Sergeants from the Witness Protection Unit travelled overseas separately to examine witness protection agencies in the United States, Canada, England, Scotland, Northern Ireland, Germany, Italy and Hong Kong.

Education and marketing

As in previous years, the CMC delivered education and awareness-raising or marketing sessions to client agencies throughout Queensland to promote the existence of the Witness Protection Unit and the services it provides.

PROTECTING WITNESSES: OUTLOOK 2003–04

We will:

- ▶ continue to develop memoranda of understanding and working relationships with state and Commonwealth departments to assist in the application of the Witness Protection Act
- ▶ continue to seek necessary amendments to the Witness Protection Act and the Crime and Misconduct Act
- ▶ continue to identify court security as a separate short-term protection service and streamline the application and agreement processes for this service
- ▶ pursue the recognition of current competencies for existing members of the Witness Protection Unit in line with those identified in the nationally accredited witness protection course, to ensure that those officers involved in providing witness protection are appropriately trained
- ▶ continue to develop the content and delivery of witness protection training to ensure its ongoing professional status and relevance
- ▶ continue to liaise with other Australasian witness protection units to exchange methodologies, analyse trends and discuss other issues likely to affect the strategic management of witness protection in Queensland
- ▶ offer interim witness protection to an estimated 90 per cent of eligible people within two days, assess about 200 applications for witness protection and admit about 100 people to the program.

MANAGING THE ORGANISATION

The CMC strives for excellence in corporate governance and resource management.

The CMC's corporate governance framework is based on principles of openness, integrity and accountability.

It includes:

- ▶ internal accountability structures
- ▶ external accountability and reporting structures
- ▶ financial management and performance management systems and structures
- ▶ legislative compliance structures
- ▶ resource-management practices and structures.



Head office of the CMC is located in Terrica Place, Brisbane CBD.

Internal accountability structures

These relate to the way in which we plan, organise, manage and monitor our operations, performance and internal controls, and strive to achieve best practice.

The Commission

The CMC is headed by a five-member body known as 'the Commission', which meets formally each fortnight to consider issues affecting all areas of the organisation. These include financial, staffing and managerial issues, specific crime and misconduct operations, research and intelligence projects, and misconduct-prevention activities. When urgent matters arise, special meetings are convened at short notice either in person or by telephone.

During 2002–03 the Commission met 35 times, of which six were special meetings, and met with the PCMC five times (see Table 15 on page 56).

The *Crime and Misconduct Act 2001* requires the Chairperson to be a legal practitioner who has served as, or is qualified for appointment as, a judge of the Supreme Court of any state, the High Court or the Federal Court. The Act requires one of the Commissioners to be a practising lawyer with a demonstrated interest in civil liberties. It also requires that one or more of the Commissioners have qualifications or expertise in public sector management and review, or criminology.

The members of the Commission are all appointed by the Governor-in-Council for fixed terms, usually not more than five years. For details of the backgrounds of the current Chairperson and Commissioners, see the next page.

As representatives of the community, the part-time Commissioners bring a broad range of professional expertise and personal experience to the Commission. The Governor-in-Council determines the Commissioners' remuneration, according to the government standard for part-time members of boards, committees and statutory authorities. For details of the Chairperson's and Commissioners' remunerations, see page 93.

Membership of the Commission



Brendan Butler SC — appointed 1998

Mr Butler was appointed Chairperson of the Criminal Justice Commission in December 1998 and Chairperson of the CMC in December 2001. He was also a member of the Management Committee of the Queensland Crime Commission.

Mr Butler's legal career has spanned periods both as a Crown Prosecutor and as a barrister in private practice. From 1989 to 1996 he held the position of Deputy Director of Public Prosecutions. From June 1987 to September 1989 he was Counsel Assisting the Fitzgerald Commission of Inquiry, which recommended the establishment of the CJC. In 1990 he was the Principal Counsel Assisting the Ward 10B Commission of Inquiry in Townsville. Mr Butler has a Bachelor of Arts, Bachelor of Laws and Master of Laws from the University of Queensland, is a co-author of the 10th and 11th editions of *Carter's Criminal Law of Queensland*, and was accorded the status of Senior Counsel in 1994.



Honourable Bill Pincus QC — appointed December 2001

The Honourable Bill Pincus is a graduate in law with first-class honours from the University of Queensland. He lectured part-time at that university for seven years (in Civil Procedure and Real Property) and is currently an Adjunct

Professor in the Law Faculty. He practised at the private Bar from 1959 to 1985, becoming a Queen's Counsel in 1974. He was appointed to the Federal Court in 1985 and resigned to become a member of the Queensland Court of Appeal in 1991. He retired from the Bench in March 2001. During his term in practice he was active in the profession, becoming President of the Queensland Bar Association, Chairman of the Queensland Barristers' Board and President of the Law Council of Australia. Mr Pincus is appointed to act as the Chairperson during any absence of Mr Butler.



Sally Goold OAM — appointed July 1999

Mrs Goold is a registered nurse with a Diploma in Nursing Education, a Bachelor of Education (Nursing), a Bachelor of Applied Science (Nursing) and a Master of Nursing Studies. From 1991 to 1996 she was a lecturer at the

Queensland University of Technology in undergraduate and postgraduate programs at the School of Nursing. In 1986, she was awarded the Medal of the Order of

Table 15. Attendance of Commissioners at Commission meetings 2002–03

	With PCMC no. = 5	Ordinary meetings no. = 24	Special meetings no. = 6
B Butler SC	5	23	3
Hon. B Pincus QC	4	23	5
S Goold OAM*	3	20	6
R Rinaudo*	4	23	6
M Steinberg AM	4	24	6
J Callanan**	5	20	2
S Lambrides**	4	23	4

Notes:

* Commissioners Goold and Rinaudo had their terms of appointment renewed from July 2002 and September 2002 respectively.

** Assistant Commissioners Callanan and Lambrides attend Commission meetings but have no voting rights.

Australia for service to nursing education and Aboriginal health and in 2000 was awarded the Royal College of Nursing (Queensland Chapter) Distinguished Nursing Award. She received an honorary doctorate of nursing from the Royal Melbourne Institute of Technology in 2002 and was instrumental in forming the Congress of Aboriginal and Torres Strait Islander Nurses (CATSIN), of which she is Chairperson. She is a member of advisory boards and committees of three universities and an adjunct professor at James Cook and Griffith universities.



Ray Rinaudo — appointed September 1999

Mr Rinaudo has a Master of Laws and has practised as a solicitor for over 20 years. He has held many professional and statutory appointments, including being a member of the Council of the Queensland Law Society, President of

the Queensland Law Society in 1991–92, a Legal Aid Commissioner, and a member of such committees as the National Legal Aid Advisory Committee, the Social Security Appeals Tribunal and the Appeals Costs Board of Queensland. He has extensive involvement with Alternative Dispute Resolution, and holds mediator appointments under both the District and Supreme Courts, as well as other professional bodies such as the Queensland Law Society, the Queensland Building Services Tribunal, the Retail Shop Leases Tribunal and the Department of Justice and Attorney-General. He is currently Chairperson of the Professional Standards Tribunal for the Real Estate Institute of Queensland and a part-time member of the Administrative Appeals Tribunal.



Professor Margaret Steinberg AM — appointed October 2000

Professor Margaret Steinberg has a PhD (Child Health and Education) from the University of Queensland. At the time of her appointment to the CJC, she was Deputy President of the Guardianship and Administration Tribunal and

Foundation Director of the Healthy Ageing Unit, School of Population Health, University of Queensland. Her awards include a Churchill Fellowship (disability), an NHMRC Public Health Travelling Fellowship (telecommunications/telemedicine), and a WHO-supported study in HIV/AIDS. She has published more than forty major reports to government and industry. An interest in decision making, ethics, governance and prevention is reflected in her policy and research work and various committee memberships. She is currently an adjunct professor in the Centre of Philanthropy and Nonprofit Studies, Queensland University of Technology, a member of the Board of Governors of the Queensland Community Foundation and Vice-President of the Queensland Council of Social Services.



Work of the Police Service Review Commissioners

Under the *Police Service Administration Act 1990*, police officers may apply to have decisions regarding promotions, transfers,

suspensions, dismissals and disciplinary action (other than those arising from misconduct findings) reviewed by Commissioners for Police Service Reviews (Review Commissioners). Current or former CMC Commissioners may do this work.

Former CMC Commissioners Mrs Kathryn Biggs, Mrs Dina Browne and Mr Barrie Ffrench, and current CMC Commissioner Mr Ray Rinaudo, all heard promotion, transfer and disciplinary review applications during the year. Mr Rinaudo also heard disciplinary-type review matters.

A hearing before a Review Commissioner is informal and non-adversarial. Legal counsel is not permitted. After consideration of a matter, the Review Commissioner provides a written recommendation to the Commissioner of the Queensland Police Service. Where a recommendation is not accepted, the Police

Table 16. Results of matters heard by Review Commissioners 2002–03

Type	Affirmed	Varied	Set aside	Other	Total
Promotion	46	8	1	0	55
Transfer	6	2	0	3	8
Disciplinary	2	3	0	6	5
Total	54	13	1	9	77

Table 17. Types of applications lodged

Type	2002–03	2001–02
Promotion	188	152
Transfer	27	22
Stand-down	0	2
Suspension	5	2
Disciplinary	13	3
Dismissal	0	1
Total	233	191

Table 18. Status of applications lodged

Status	2002–03	2001–02
Matters lodged	233	191
Matters heard	77	67
Matters withdrawn	122	86
Matters out of time/no jurisdiction	8	13
Matters awaiting hearing	26	25

Commissioner is required to outline his reasons for making such a determination.

The Review Commissioners continued to identify problems occurring in the QPS Promotion and Transfer and Discipline systems through the hearing of such review applications. In addition to raising these matters in individual review recommendations, they have highlighted recurrent problems through periodic liaison with QPS human resource management and the Commissioner of Police. Review Commissioners also met with staff from the QPS Central Convenors Unit throughout the year to discuss selection processes.

The office continued its liaison with the Queensland Police Union of Employees, with union representatives being invited to attend promotion, transfer and disciplinary review hearings as observers.

Internal audit

In October 2002 the Commission established an independent internal audit function, which reports directly to the Chairperson. The function is an integral part of the Commission's corporate governance framework.

Internal audit operates under a formal charter approved by the Chairperson, and its activities are monitored by the Audit Committee. The function was established to help the Commission, Chairperson and other levels of management achieve sound managerial control over all activities under their control. Its fundamental role is to conduct independent audits as a service to management.

The function is performed by a qualified and experienced auditor who works on a 60 per cent part-time basis. Where necessary, additional external resources are used to ensure effective audit coverage. The Internal Auditor acts independently of the Audit Committee but has a standing invitation to attend committee meetings. The committee acts as a forum for dialogue between the Chairperson, executive management and the internal and external audit functions. The Internal Auditor also liaises regularly with the Queensland Audit Office to ensure that there is adequate audit coverage across the organisation.

The Internal Auditor:

- ▶ undertakes regular appraisals within the CMC, including providing assurance as to the reliability of accounting and financial management information, the adequacy of the internal control structure and the protection of assets and resources
- ▶ offers independent and confidential advice on action to improve organisational effectiveness, efficiency and economy
- ▶ checks actions taken by line management on recommendations reported and accepted by the Chairperson
- ▶ contributes to the integrity of the annual financial statements.

The Internal Auditor also provides advice to management on governance, management and accounting issues.

Outputs for 2002–03:

- ▶ Drafted an Internal Audit Strategic Plan.
- ▶ Developed an Internal Audit Annual Plan.
- ▶ Developed an Internal Audit Charter.
- ▶ Developed Internal Audit Policies and Procedures.
- ▶ Updated the Audit Committee Charter.
- ▶ Implemented the 2002–03 Internal Audit Plan.
- ▶ Prepared and issued final audit reports on five key systems and areas.



Graham Brighton, Executive Director, heads the Office of the Commission and Corporate Services.

- ▶ Followed up on outstanding audit recommendations.
- ▶ Conducted a number of ongoing reviews and activities on behalf of the Queensland Audit Office.
- ▶ Reviewed departmental risk management planning, monitoring and reporting processes.
- ▶ Advised and assisted line managers during their completion of system appraisals.
- ▶ Prepared audit test programs and checklists to facilitate control over the preparation of financial statements and end of year internal-audit processes.

Over the coming year, the internal audit function will:

- ▶ ensure that activities align with the objectives of the Commission
- ▶ ensure that key risks are adequately controlled and monitored
- ▶ compare improvements to internal systems to meet best-practice standards
- ▶ identify opportunities for cost savings and potential revenue opportunities
- ▶ prepare and revise the annual and strategic audit plans
- ▶ ensure that the Audit Charter and other corporate governance tools achieve their goals.

CMC management committees

Strategic Management Group (SMG)

CMC corporate policy and strategic directions, set by the Commission, are implemented by the SMG (see page 10 for membership), which comprises the Chairperson, the Assistant Commissioners and Directors. The SMG meets each fortnight. The Assistant Commissioners and Directors also meet regularly with the Commission.

In addition to the SMG, the CMC has a comprehensive committee structure to comply with corporate governance principles of effective management. To ensure these committees maintain a strategic focus, charters have been developed that define the roles and responsibilities of the committees and their members. Copies of the charters, which are endorsed by the Commission, are available to all staff through the CMC intranet. At the end of each financial year the performance of each committee is evaluated.

Audit Committee

Outputs for 2002–03:

- ▶ Completed a high-level review of the CMC's financial statements for 2001–02 prior to their signing by the Chairperson and will repeat this process for the 2002–03 financial statements.
- ▶ Oversaw and provided significant guidance on the establishment of an in-house internal audit function.
- ▶ Reviewed the performance of the in-house internal audit function and provided advice to the Chairperson regarding its future role and structure.
- ▶ Followed up on outstanding management actions to address audit findings.
- ▶ Assessed the results of the risk assessment and determined the significant control exposures.

Commission Consultative Committee

This committee provides a forum for employees and senior management to exchange ideas, concerns and points of view. This year the Committee was instrumental in enhancing security precautions for complaints officers interviewing 'walk-in' complainants.

Equal Employment Opportunity Consultative Committee

Outputs for 2002–03:

- ▶ Conducted two-yearly staff survey on sexual harassment, presenting the findings to the SMG and the Commission.
- ▶ Hosted training sessions on working with people with a disability, delivered early October by Partnerships with Industry.
- ▶ Continued hosting training sessions on Indigenous Cultural Awareness.
- ▶ Continued providing awareness training on equity and diversity issues for new staff through the Induction Training Program.
- ▶ Hosted an International Women's Day morning tea for Commission staff.
- ▶ Drafted the EEO Management Plan for 2003–06, with a yearly Action Plan.
- ▶ Continued marketing significant EEO issues.
- ▶ Continued work on an EEO Resource Kit for Managers.

See also Appendix C.

Finance Committee

Outputs for 2002–03:

- ▶ Endorsed internal budgets for 2002–03 and a draft budget for 2003–04.
- ▶ Endorsed and reviewed the budget for the new function of 'Proceeds of Crime' within the 'Crime' function.
- ▶ Conducted a mid-year review of the revenue and expense budget for the CMC.
- ▶ Prepared budget estimates and other financial information for the Ministerial Portfolio Statements, the Parliamentary Estimates Committee and the Minister.
- ▶ Considered and determined that the Commission should aim to maintain a balanced budget.
- ▶ Determined resourcing options for the CMC, having regard to the outcomes to be delivered.
- ▶ Considered Commission proposals that had a significant financial effect.

Information Steering Committee

Output for 2002–03:

- ▶ Produced the Information and Communications Technology Resources Strategic Plan 2003–07 and the related 2003–04 Information Management Operation Plan.

Legislation Committee

Outputs for 2002–03:

- ▶ Refined a compliance table developed earlier to guide the CMC in its application of the Act.
- ▶ Monitored state and federal changes to legislation and initiatives likely to affect the activities of the CMC.

Risk Management Committee

Outputs for 2002–03:

- ▶ All functional areas completed risk assessments.
- ▶ Used functional area risk assessments, along with interviews and workshops, to review and update the Corporate Risk Register of the CMC's most significant corporate risk areas.
- ▶ Developed a new Risk Management Policy.
- ▶ Reviewed the CMC Fraud Prevention and Control Plan/Policy.

Workplace Health and Safety Committee

Outputs for 2002–03:

- ▶ Arranged training and education sessions on manual handling, first aid, emergency evacuation procedures, and first-day and corporate induction.
- ▶ Provided individual assessments to help staff rehabilitate from injury.
- ▶ Developed a page on the intranet with specific reference material on workplace health and safety issues such as office risks, ergonomics, desk exercises, and emergency evacuation.
- ▶ Drafted a manual that contains the CMC's policies and procedures for health and safety. This document will be used as the basis for developing an audit system and strategic plan. The document will then determine the priorities for ensuring audit compliance as prescribed under the *Workplace Health and Safety Act 1995*.

Other management committees

There are four committees that deal specifically with operational matters:

- ▶ Misconduct Operations Review Committee
- ▶ Misconduct Assessment Committee
- ▶ Crime Operational Review Committee
- ▶ Witness Protection Advisory Committee.

Details of the work conducted by these committees cannot be given here.

External accountability and reporting structures

Although the CMC is an independent statutory body separate from the government of the day, it is accountable for its actions through a variety of mechanisms, the principal one being the Parliamentary Crime and Misconduct Committee (PCMC).

The PCMC

The PCMC is a seven-member, all-party committee of the Queensland Legislative Assembly established to:

- ▶ review the CMC's guidelines and make suggestions for improvement of its practices
- ▶ review CMC reports, including the annual report and research reports
- ▶ request reports on matters that have come to the CMC's attention through the media or by other means
- ▶ receive and consider complaints against the CMC and deal with issues concerning the CMC as they arise.

The PCMC may also direct the Parliamentary Crime and Misconduct Commissioner to audit and review CMC activities and to investigate any complaints about the CMC.

The appointment of the CMC Chairperson and Commissioners may occur only with the support of a bipartisan majority of the PCMC.

The Commission formally meets with the PCMC on a regular basis (usually every two months) to discuss current activities and performance. A comprehensive report, which details the CMC's activities during the reporting period, is prepared for the PCMC in advance of these meetings.

Three-yearly review

Under section 292(f) of the *Crime and Misconduct Act 2001*, the PCMC must review the activities of the CMC every three years and report to Parliament. The last review (of the CJC) was conducted in 2000. In February 2003 the PCMC announced its intention to conduct a three-yearly review encompassing the work of the CJC and CMC.

To help the committee with its review, we prepared a report of our activities for that period. Our Three-Yearly



The PCMC as at 30 June 2003.

(Back row from left) Mr Bill Flynn MP (Lockyer); Mr Stuart Copeland MP (Cunningham); Mr Andrew McNamara MP (Hervey Bay); Mr Kerry Shine MP (Toowoomba North).

(Front row from left) Ms Desley Boyle MP (Cairns); Chairperson, Mr Geoff Wilson MP (Ferry Grove); Deputy Chairperson, Mr Howard Hobbs MP (Warrego).

Review submission to the PCMC was published in April 2003.

The primary focus of our submission was on informing the committee about what we had been doing in our key areas of responsibility, so that a proper assessment could be made of our performance. We also identified legislative and procedural changes that we considered would enable us to be more effective.

Other external accountability mechanisms

The CMC is also accountable to the Supreme Court, the Public Interest Monitor and the Controlled Operations Committee for the exercise of some of its powers.

The Honourable Peter Beattie MP, Premier and Minister for Trade, is the Minister currently responsible for the CMC. The Minister participates in the selection of the Chairperson, Commissioners and Assistant Commissioners, approves staff remuneration conditions and approves the CMC's budget. Also, the legislation requires the Minister to ensure that the CMC operates in accordance with best-practice standards.

To assist the Minister in this regard, the CMC must report on the efficiency, effectiveness, economy and timeliness of its operational processes.

Financial management and performance management systems and structures

The CMC operates in an accrual output-based financial management framework where all senior managers are responsible and accountable for the achievement of corporate goals and objectives within approved budget allocations. The CMC's Finance Committee assists the Commission in its role of managing the budget process and ensuring that there are appropriate and effective financial management practices. We report on our financial management through:

- ▶ the annual Ministerial Portfolio Statement
- ▶ financial statements for inclusion in our annual report
- ▶ an internal budget reporting regime.

We report on our operational performance through narrative reports and statistical information. Narrative reports on the success of our investigations and projects are provided through our annual report, publications and website. Statistical information about our activities can be found in our annual report. Operational performance targets are reported to the Minister and Queensland Treasury through our annual Ministerial Portfolio Statement (part of the State Budget Papers). These include a range of measures relating to aspects of quantity, quality, timeliness and cost.

Legislative compliance structures

The Office of General Counsel comprises General Counsel, the Official Solicitor, the Freedom of Information Coordinator and a legal officer. It provides independent legal advice, encompassing such areas as contract, administrative and criminal law, to the Commission and the various operational areas of the CMC. The Office also represents the CMC in all litigation in which it is a party. This may sometimes involve the engagement of external advice and representation. The Office of General Counsel:

- ▶ responds to subpoenas and other compulsory processes served on the CMC seeking production of documents in circumstances where confidentiality arises
- ▶ has a liaison and coordination role with the Parliamentary Crime and Misconduct Commissioner
- ▶ oversees the CMC's responses to the PCMC
- ▶ prepares and coordinates the CMC's submissions to other external bodies on diverse legal issues, such as the content of proposed legislation
- ▶ undertakes some internal FOI reviews.



Theresa Hamilton, General Counsel.

Freedom of information

The CMC is subject to the *Freedom of Information Act 1992*, which means members of the public are entitled to apply for access to our documents under that Act (see Table 19 on page 62).

Under the Act certain documents may be exempt on grounds such as legal professional privilege, parliamentary privilege or matters relating to the personal affairs of others. If applicants are aggrieved by a decision to refuse or limit access, they may request an external review, which means the matter will go to the Information Commissioner. Applications must be in writing. No charge applies to applications that seek access to documents relating to the personal affairs of the applicant; charges apply to non-personal requests.

Most applications received by the CMC are requests by complainants for access to documents concerning their complaint.

Privacy legislation

Since 2001 when Cabinet approved Information Standard 42, agencies have been required to review the way they handle personal information to ensure that they comply with the requirements of 11 Information Privacy Principles (IPPs). The CMC is exempt from IPPs 2, 3, 9, 10 and 11 for all functions except administrative functions. As a result, most of the CMC's core activities are excluded from the privacy scheme. In accordance with

Table 19. FOI applications and reviews 2002–03

Applications

Personal applications received	41
Non-personal applications received	19
Total	60

Access

Full access granted (personal)	19
Full access granted (non-personal)	2
Partial access granted (personal)	11
Partial access granted (non-personal)	5
Full denial (matter exempt)	6
No documents located	5
Outstanding as at 30 June	6
Withdrawn/lapsed (fee not paid)	6

Reviews

Internal	3
External	1
Total	4

the requirements of Information Standard 42, the CMC has nominated a privacy contact officer, developed a privacy plan to give effect to the IPPs, and published the plan on its website. There were no complaints of breaches of privacy in the reporting period.

Managing resources

Our people

The CMC is dedicated to providing the best working environment it can to its approximately 300 staff of lawyers, police, accountants, investigators, intelligence analysts, social scientists, computing specialists, support officers and administrators, on the basis that a happier workforce is also a more stable and productive one.

It does this by offering state public service working conditions, including enterprise bargaining, and by adhering to government policies on equal employment opportunity and workplace health and safety. In addition, it provides an employee support program, a training service, staff achievement awards, regular internal communication facilities and a mechanism for staff to have their concerns heard by senior management.

As at 30 June 2003 the number of established positions was 298. Actual staff at 30 June was 282. See Tables 20 and 21.

Training

Fifteen staff graduated with a Diploma of Business from the Middle Management Development Program for staff at AO5 to AO8 level. Delivered in collaboration with the



Executive Assistants.

(Back row from left) Maggie Fitzhenry (Misconduct Investigations), Viki Graham (Executive), Lisa Evans (Complaints Services), Jodie Boland (Research and Prevention), Debbie Hasted (Crime Operations).

(Front row from left) Katrina Welk (Witness Protection and Operations Support), Robyn Nuttall (Intelligence and Information), Alison Reichert (Office of the Assistant Commissioner, Misconduct), Annette Brisbin (Office of the Commission and Corporate Services).

(Absent) Therese Flynn (Office of the Assistant Commissioner, Crime).

Australian Institute of Management, this program gives participants the opportunity to gain a Diploma of Business through the Business Services Training Package. There were four intakes during the year.

Four staff enrolled in the Certificate IV in Government and one in the Diploma of Financial Management.

We continued participating in the government Breaking the Unemployment Cycle initiative, with three trainees undertaking Certificate III traineeships in Business

Table 20. Number of established positions within each discipline as at 30 June 2003

Discipline	Number
Police officers	84
Administrative officers	48
Operational support officers	25
Legal officers	21
Intelligence analysts	18
Financial investigators	17
Registry officers	16
Computer systems officers	12
Investigators (civilian)	12
Research officers	12
Strategic management	12
Prevention officers	8
Complaints officers	7
Librarians	2
Technical officers	2
Indigenous liaison officers	2
Total	298

Table 21. Staff establishment as at 30 June 2003

	Approved establishment	Actual staff on hand		
		Male	Female	Total
Executive*	14	6.6	7.0	13.6
Crime	43	21.0	17.5	38.5
Misconduct	87	46.9	34.9	81.8
Witness Protection and Operations Support	55	37.0	12.0	49.0
Research and Prevention	27	7.8	18.1	25.9
Intelligence and Information	53	26.0	25.6	51.6
Corporate Services	19	7.0	14.8	21.8
Total	298	152.3	129.9	282.2

* Executive includes Office of the Commission and Office of General Counsel.

Administration, Information Management and Library Services. We also continued our commitment to delivering cultural awareness training to staff.

Awards

In April 2003, the CMC gave a recognition award to those staff who had served the organisation for at least 10 years (see the photograph below). At the same time, awards were given to the following staff:

For leadership — Det. Ins. Gavin Radford, Det. Ser. Aurelia Stevens and Detective Sergeant Jason Gough

For work achievement — The Silhouette (organised crime) Investigation Team, The Surveillance and Technical Unit

For client satisfaction — The Beat Policing Project Team.



Ten-year service recognition awards, April 2003.

(Back row from left) Warren Strange, Bob Dowling, Lisa Evans, Ray Rinaudo (Commissioner), David Goody, Richard Burns, Michael Scott.

(Front row from left) Brendan Butler (Chairperson), Sally Goold (Commissioner), Sue Stephen, Margaret Steinberg (Commissioner). Other staff who received recognition awards were Michael O'Sullivan, Graeme Catling, Amos Mackay, Lucille Cooney.



Administration Manager Don Jeppesen and Executive Assistant (Crime) Therese Flynn formed the team to plan the relocation of the Crime function to Terrica Place.

Business practices

The CMC's Crime function relocated to the City office in May 2003. Until then the CMC had leased office space at two locations — in the CBD and in Milton. In May, staff of the Milton office moved to the City, thus achieving organisational effectiveness and reducing property and maintenance costs.

The CMC contracted the services of six external providers — see Table 22 below.

Table 22. Consultancies 2002–03

Consultant	Description	\$ (excluding GST)
<i>Management</i>		
Sagacity Consulting	Strategic Planning Workshop	2 800.00
QRM Risk Management	Update CMC Corporate risk assessment	6 320.00
<i>Information Technology</i>		
Bridge Point Communications	External intrusion network review	4 000.00
<i>Finance/Accounting</i>		
Deloitte Touche Tohmatsu	Document classification and security review	10 000.00
<i>Professional/Technical</i>		
Griffith University	Internal witness/whistleblower project	952.80
Standards Australia International	Review of policies and procedures project	31 950.00
Total		56 022.80

Information management

The operational work of the CMC relies heavily on effective information systems to support investigations, analysis and decision making.

We have a five-year Information and Communication Technology Resources Strategic Plan, covering the period 2003 to 2007. Our vision for our management and use of information is: 'Excellence in information management and information systems, providing value for money, accountability and client focus, and ensuring the CMC understands, has access to and uses the information it needs to achieve its full potential as a knowledge organisation'. The strategic plan is complemented by an annual operational plan for the management of more immediate projects and initiatives.

In 2002–03:

- ▶ The accommodation relocation project dominated Information Technology Section resources. Existing premises were closed, complex new communications and network infrastructures were established for the new premises, and officers were transferred with minimum operational disruption. The changes were complemented by both server hardware and operating system upgrades.
- ▶ Database support facilities were developed for the Asset Confiscation Unit in time for its start on 1 January 2003.
- ▶ A review of our telecommunications services resulted in contract changes which will produce significant savings in key voice services areas including mobile telephones.
- ▶ Our records management infrastructure was enhanced with an upgrade to our software facilities followed by



Some of the staff of the CMC's IT section.

(Standing left to right) Peter Duell (IT Manager), Matthew Thomson, Ken Jones, Will Siemon, Ray Chen, Darryl Harvey, Paul Roger (Director, Intelligence and Information).

(Seated left to right) Robyn Symonds, Susan Kopelke, Robyn Buckley, David Harvey.

preparations for introduction of a new business classification scheme from August 2003.

- ▶ We continued to enhance our major business application COMPASS and we assisted the QPS in their project to adopt COMPASS for use in Ethical Standards Command in late 2003.
- ▶ We determined the best way forward with our library management facilities, including the implementation of upgraded software.

Communications and publications

In 2002–03 we produced 24 publications, including four major reports to Parliament, and five e-newsletters. (See Appendix G for full details.) Sixty-four media releases were issued (compared with 48 during 2001–02). We also responded to more than 900 media inquiries — almost 90 per cent more than in the previous year.

The high level of media interest was to some extent prompted by the CMC's involvement in a number of high-profile and politically sensitive matters during the period, such as the public inquiry into the handling of sexual offence matters by the criminal justice system. However, it also reflects a continuing growth in the volume of media inquiries being received by the CMC.

The Chairperson and other senior CMC officers gave a total of 56 interviews to the media, more than double the number of the previous year. As part of seeking opportunities to generate a positive awareness of the CMC's responsibilities and achievements, the Media Unit took advantage of a number of regional visits to arrange for speakers to address numerous community groups.

In July 2002, we released a Client Services Charter online and in hard-copy form. The charter sets out the standards we undertake to meet when dealing with complaints about misconduct in the public sector. It sets out the service that a complainant can expect from us and what recourse is available should that service not be delivered. The charter details opportunities for review of decisions as well as how to resolve grievances about the quality of service received.

In August 2002, the CMC had a first-time presence in the Government Pavilion at the Brisbane Ekka, based on the theme *A Smart State Is an Ethical State*. This theme was reflected in a special newsletter, *E-Edition*, that was handed out to pavilion visitors, along with various materials on the theme of using the Internet safely.



Appendix A

Functions of the CMC

Taken from the *Crime and Misconduct Act 2001*

4 Act's purposes

The purposes of this Act are—

- (a) to combat and reduce the incidence of major crime; and
- (b) to continuously improve the integrity of, and to reduce the incidence of misconduct in, the public sector.

5 How Act's purposes are to be achieved

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

23 Commission's prevention function

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

24 How commission performs its prevention function

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

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

25 Commission's major crime function

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

26 How commission performs its crime function

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

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

33 Commission's misconduct functions

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

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

34 Principles for performing misconduct functions

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

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

(d) Public interest

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

35 How commission performs its misconduct functions

(1) Without limiting how the commission may perform its misconduct functions, it performs its misconduct functions by doing 1 or more of the following—

- a) expeditiously assessing complaints about, or information or matters (also ‘complaints’) involving, misconduct made or notified to it;
- b) referring complaints about misconduct within a unit of public administration to a relevant public official to be dealt with by the public official;
- c) performing its monitoring role for police misconduct as provided for under section 47(1);
- d) performing its monitoring role for official misconduct as provided for under section 48(1);
- e) dealing with complaints about official misconduct, by itself or in cooperation with a unit of public administration;
- f) investigating and otherwise dealing with, on its own initiative, the incidence, or particular cases, of misconduct throughout the State;
- g) assuming responsibility for, and completing, an investigation, by itself or in cooperation with a unit of public administration, if the commission considers that action to be appropriate having regard to the principles set out in section 34;

h) when conducting or monitoring investigations, gathering evidence for or ensuring evidence is gathered for—

- (i) the prosecution of persons for offences; or
- (ii) disciplinary proceedings against persons.

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

52 Research functions

(1) The commission has the following functions—

- a) to undertake research to support the proper performance of its functions;
- b) to undertake research into the incidence and prevention of criminal activity;
- c) to undertake research into any other matter relating to the administration of criminal justice or relating to misconduct referred to the commission by the Minister;
- d) to undertake research into any other matter relevant to any of its functions.

(2) Without limiting subsection (1)(a), the commission may undertake research into—

- a) police service methods of operations; and
- b) police powers and the use of police powers; and
- c) law enforcement by police; and
- d) the continuous improvement of the police service.

53 Intelligence functions

The commission has the following functions—

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

56 Commission’s other functions

The commission also has the following functions—

- a) a function of undertaking witness protection;
- b) a function conferred under another Act.

Appendix B

Strategic Plan of the CMC 2002–06

This plan describes our output structure, strategic goals and objectives for the four-year period 2002–06; outlines the key focus areas for the first year of the plan, 2002–03; and explains how we report on our performance.

Output structure

Government priority

The CMC contributes to the Government's social objective of 'safer and more supportive communities'.

CMC outputs and roles

► **Combating major crime, including organised crime and paedophilia**

Role: The Commission conducts specialist, proactive investigations using dedicated police taskforces. It both targets and prevents crime through a range of law enforcement and crime prevention initiatives that include: target identification and development; intelligence analysis; investigative hearings; policy-relevant information and advice; and research activities. The Commission also gathers evidence for prosecution action and the confiscation of proceeds of organised crime. See Strategic Goals 1, 4 and 5.

► **Reducing misconduct and improving public sector integrity**

Role: The Commission handles complaints about misconduct, conducts investigations, takes a leading role in building the capacity of agencies to deal with misconduct and undertakes research, intelligence and prevention activities. Its misconduct jurisdiction covers official misconduct by elected officials and officers of the Queensland public sector, including the police service, public service departments, statutory authorities, universities and local government councils. See Strategic Goals 2, 4 and 5.

► **Protecting witnesses**

Role: The Commission provides protection to witnesses who assist law enforcement in Queensland. The majority of protected persons are referred by the Queensland Police Service because they have assisted the Service with information or as witnesses in court. See Strategic Goals 3 and 5.

Our strategic goals

These goals and supporting objectives provide the framework within which the CMC operates.

1. To combat and prevent major crime

Supporting objectives

- a. Conduct effective multidisciplinary investigations into major crime, including organised crime and paedophilia.

- b. Identify and react to investigative priorities through proactive intelligence and research activities.
- c. Undermine the financial basis of crime by identifying and targeting the proceeds of crime for confiscation.
- d. Maintain close partnership with the Queensland Police Service and cooperative arrangements with other agencies.

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

Supporting objectives

- a. Initiate and conduct timely and effective multidisciplinary misconduct investigations.
- b. Ensure an effective complaints-handling process.
- c. Enable public sector agencies to build their own capacity to effectively deal with and prevent misconduct.
- d. Pursue collaborative opportunities to work with other agencies to maximise capacity building and prevention outcomes.

3. To provide an effective witness protection service

Supporting objectives

- a. Provide quality, timely, cost-effective support to protected witnesses.
- b. Develop methodologies for providing effective witness protection.
- c. Proactively develop working relationships with client law enforcement agencies.

4. To provide high-quality research into crime, misconduct and policing

Supporting objectives

- a. Undertake high-quality research to assist all other functions of the Commission.
- b. Provide high-quality research to external stakeholders.
- c. Pursue and undertake opportunities for collaborative research projects.

5. To be an effective and productive organisation

Supporting objectives

- a. Strive for excellence in our governance and corporate infrastructure.
- b. Provide a safe, fair, productive and satisfying work environment.
- c. Embrace best practice in all aspects of the organisation.
- d. Monitor our performance to ensure work quality and effective resource management.

Reporting on our performance

The CMC reports on its performance through a range of formal and informal means, including:

- ▶ reports to the Parliamentary Crime and Misconduct Committee
- ▶ reports to the Minister and Queensland Treasury
- ▶ public reports on the outcomes of investigations and other CMC projects
- ▶ annual reports
- ▶ the CMC website.

The three main ways the CMC reports on its performance are through narrative reports, statistical information and performance measures.

We provide narrative reports on the success and cost-effectiveness of our investigations and projects through our annual report, publications and website.

We provide statistical information about our activities in our annual report. In our investigative role, we work to reduce the impact of serious and organised crime and corruption. We take every opportunity to identify and apprehend corrupt individuals in the public sector and to dismantle or disrupt organised crime groups. The nature and complexity of some investigations mean that it is not always possible to equate success simply to the number of arrests or the size of seizures. Nevertheless, we record, and publish in our annual report, the number of arrests, charges, seizures and exercises of powers.

We use quantitative performance measures to report against performance targets for the annual Ministerial Portfolio Statement (published as part of the Budget Papers each year) and quarterly non-financial reports to Queensland Treasury. These measures are arranged under the categories of quantity, quality, timeliness and cost, for each of which there are several targets:

Quantity

- ▶ Misconduct investigations and crime operations undertaken
- ▶ Capacity-building and monitoring projects undertaken
- ▶ Research, prevention and intelligence projects undertaken
- ▶ Witness protection acceptances

Quality

- ▶ Percentage of tactical crime operations resulting in charges, restraints or seizures
- ▶ Percentage of audited misconduct investigations that meet quality standards

- ▶ Value of assets restrained
- ▶ Stakeholder satisfaction with prevention and intelligence reports
- ▶ Quality standards for publications
- ▶ Percentage of protected witnesses who meet court commitments

Timeliness

- ▶ Percentage of misconduct assessments within four weeks and investigations finalised within six months
- ▶ Timeliness of interim protection offers

Cost

- ▶ Income and expenditure for each of the three outputs

Key focus areas 2002–03

The Commission has identified three key focus areas that it will commit resources and management attention to as a matter of priority during 2002–03:

1. Enhancing the organised crime response

We will enhance our ability to assess organised crime markets, identify vulnerabilities, and target offenders for investigation, prosecution and the forfeiture of proceeds of crime.

2. Targeting criminal paedophilia

We will develop and focus a whole-of-Commission approach to combating and reducing the incidence of criminal paedophilia involving the coordination of investigative, research, intelligence and prevention resources.

3. Capacity building

We have established a Capacity Development Unit and will:

- ▶ develop a strategic capacity-building plan to provide an integrated framework for the Commission's capacity-building activities
- ▶ assist public sector agencies with their investigations and conduct joint investigations with agencies
- ▶ consult with public sector agencies to identify areas in which they need assistance to prevent or to deal with misconduct
- ▶ develop strategies for monitoring, auditing and reviewing complaints-handling by public sector agencies including the Police Service
- ▶ strengthen misconduct prevention systems across agencies.

Appendix C

EEO statistics

Figure 10. Membership of EEO target groups 2001–02 to 2002–03

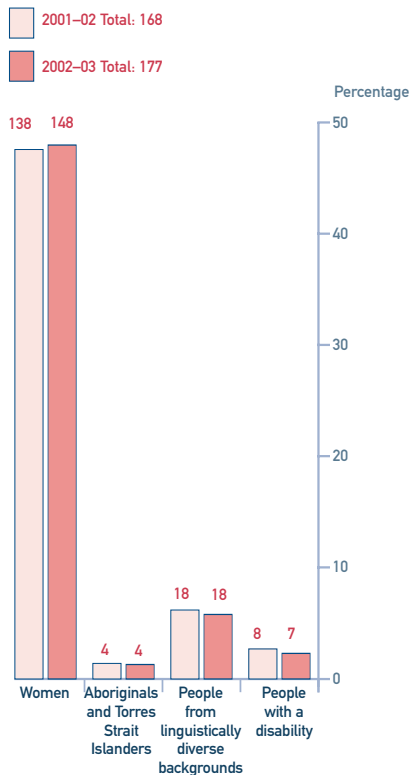


Figure 12. Employees by gender and age as at 30 June 2003

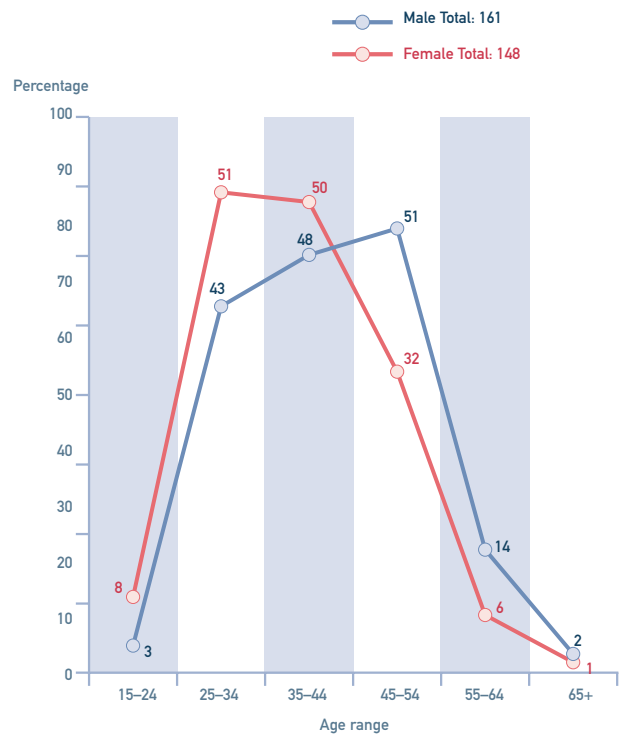


Figure 11. Employees by gender and employment status as at 30 June 2003

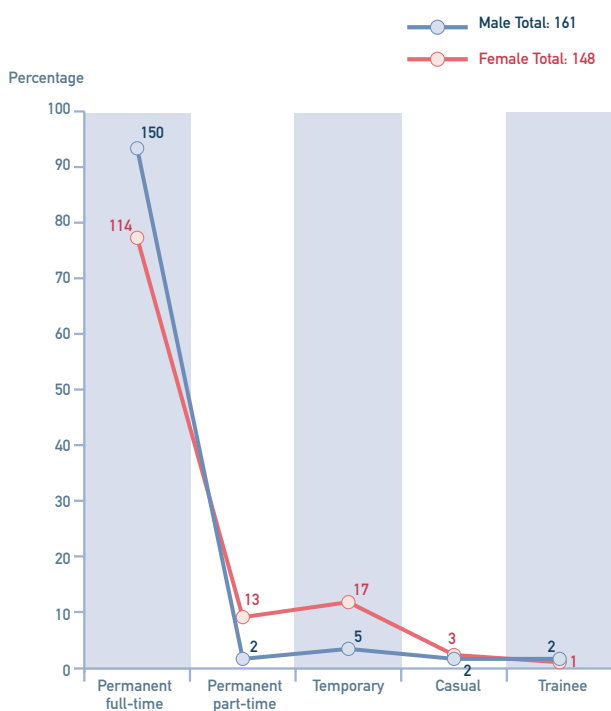
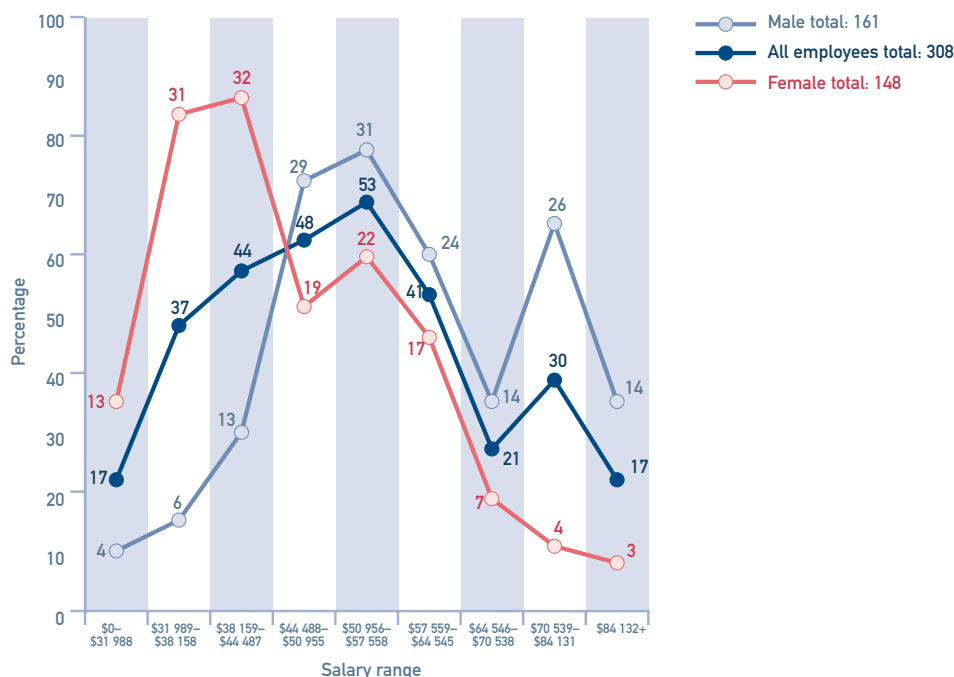


Figure 13. Employees by gender and salary level as at 30 June 2003



Appendix D

Public interest disclosures

Table 22. Analysis of public interest disclosures received by the CMC in 2002–03

Section of <i>Whistleblowers Protection Act 1994</i>	Verified (by CMC)	Not verified (by CMC)	Referred to other agency	Under consideration (by CMC)	Total referred and not verified	Total referred and verified	Totals
15. Public officer complaining of official misconduct	–	70	152*	6	113	40	381
16. Public officer complaining of maladministration	–	2	7*	–	10	–	19
17. Public officer complaining of improper management	–	2	–	–	–	–	2
18. Public officer complaining re health/environment matter	–	–	–	–	–	–	–
19. Any person complaining re public health or safety matter	–	–	1*	–	1	–	2
20. Any person complaining re reprisal	–	21	5*	2	8	–	36
Totals	–	95	165	8	132	40	440

Note: There were 147 complaints received, comprising 440 allegations. This table details the status of the allegations.

* The outcomes of the allegations in this category may not be known at this stage, or may never be known, because they were referred to another agency with no need for review by the CMC.

Appendix E

Significant external presentations

When	Topic	Where	Presenter
25.7.02	Domestic Violence and POP	District Officers Conference QPS, Brisbane	Dr Paul Mazerolle, Director, Research & Prevention
2.8.02	Grassroots of Ethical Conduct	Local Government Managers Australia Conference (Darling Downs and Southwest Queensland), Gatton	John Boyd, Manager, Misconduct Prevention
21.8.02	Risks, Challenges and Opportunities: The Queensland Experience	ICAC Universities Forum, Sydney	Brendan Butler SC, Chairperson
27.8.02	Probity, Property and Processes	Local Government Association of Queensland Annual Conference, Maryborough	Brendan Butler SC, Chairperson
1.9.02	Failure to Disclose Sexual Abuse: Implications for Secondary Prevention by Health Practitioners, Criminal Justice Agencies and Researchers	ANZSOC Conference, Brisbane	Dr Margot Legosz, Senior Research Officer
1.9.02	'Evidence-Based' Policies and Real-World Research Constraints	ANZSOC Conference, Brisbane	Dr Mark Lynch, Deputy Director, Research & Prevention; Julianne Buckman & Leigh Krenske, Research Officers
2.9.02	Police Pursuits in Queensland	ANZSOC Conference, Brisbane	Dr Gabi Hoffman, Research Officer
2.9.02	Like Leading a Horse to Water: Using Theoretical Models to Describe the Implementation of a Problem Oriented Policing Project by the Queensland Police Service	ANZSOC Conference, Brisbane	Dr Margot Legosz, Senior Research Officer
2.9.02	Regulatory Agencies: Types, Complaints, Risks and Remedies	Current Issues in Regulation AIC Conference, Brisbane	Gary Adams, Manager, Corporate Governance
2.9.02	2002 Public Attitudes Survey	ANZSOC Conference, Brisbane	Kelly Ede, Research Officer
13.9.02	The Issue of Investigating Complaints against Teachers	Queensland Law Society Annual Legal Studies Teachers Conference, Brisbane	Helen Couper, Director, Complaints Services
16.9.02	Meeting the Ethical Challenges	Information Systems Audit and Control Association Annual Conference, Brisbane	John Boyd, Manager, Misconduct Prevention
26.9.02	The CMC's Research Program on Illicit Drugs	AIC Drug Use Monitoring Australia, Adelaide	Dr Paul Mazerolle, Director, Research & Prevention
5.10.02	Fostering Queensland Public Sector Integrity: An Example of an Integrated Integrity System	2002 International Institute for Public Ethics Biennial Conference, Brisbane	Brendan Butler SC, Chairperson
6.10.02	How to Audit Ethics within an Organisation	2002 International Institute for Public Ethics Biennial Conference, Brisbane	John Boyd, Manager, Misconduct Prevention

When	Topic	Where	Presenter
6.10.02	Not Just a Load of Rubbish: The Ethics of the Disposal of Scrap and Low-Value Assets	2002 International Institute for Public Ethics Biennial Conference, Brisbane	Narelle George, Misconduct Prevention Officer
7.10.02	A Contingency Approach to Ethics Training	2002 International Institute for Public Ethics Biennial Conference, Brisbane	John Boyd, Manager, Misconduct Prevention
16.10.02	E-Fraud, E-Corruption and E-Security	Archives, Information & Records Management Joint Venture Conference, Brisbane	Narelle George, Misconduct Prevention Officer
7.11.02	Investigation: Seeking Out Offending — With Feeling	4th National Investigations Symposium, Manly, NSW	Brendan Butler SC, Chairperson
13.11.02	Overcoming Risk for Delinquency: Recovery from the Life-course Persistent Trajectory at 14 Years	American Society of Criminology (ASC) Conference in Chicago, USA	Dr Paul Mazerolle, Director, Research & Prevention
13.11.02	A Theoretical and Empirical Examination of Female and Male Desistance from General Delinquency	American Society of Criminology (ASC) Conference in Chicago, USA	Dr Paul Mazerolle, Director, Research & Prevention
14.11.02	Persistent Offending and Persistent Victimization: A Comparison of Psycho-social Risk Factors	American Society of Criminology (ASC) Conference in Chicago, USA	Dr Paul Mazerolle, Director, Research & Prevention
14.11.02	Patterns from Multiple Indicators of Illicit Drug Use in Queensland, Australia: Implications for Effective Drug Use Interventions	American Society of Criminology (ASC) Conference in Chicago, USA	Dr Paul Mazerolle, Director, Research & Prevention
14.11.02	Assessing the Linkages between Strain, Types of Anger, and Eating Disorders: Testing and Extending General Strain Theory	American Society of Criminology (ASC) Conference in Chicago, USA	Dr Paul Mazerolle, Director, Research & Prevention
21.2.03	Youth Justice: Criminal Trajectories	Youth Justice Conference, Brisbane	Julianne Buckman, Research Officer
25.2.03	Encouraging the Best Practice Management of Fraud Through Agency Capacity Building	Government Fraud and Corruption in the Public Sector	Susan Johnson, Manager, Capacity Development
26.2.03	Overcoming Fraud in the Public Sector — panel session	Government Fraud and Corruption in the Public Sector	Susan Johnson, Manager, Capacity Development
10.3.03	The Role of the CMC and the New Proceeds of Crime Legislation	Australian Institute of Professional Investigators, Irish Club, Brisbane	John Richardson, Manager, Financial Crime Investigations
20.5.03	Internet Paedophilia	Australasian Crime Commissioners Forum, Sydney	Det. Sen. Sergeant Bruno Asnicar
23.6.03	Fighting Corruption in the Public Sector	Institute of Internal Auditors 2003 International Conference, Las Vegas, USA	John Boyd, Manager, Misconduct Prevention

Appendix F

Overseas travel by staff

Name of officer	Where	Reason for travel	Date of travel	Cost	Remarks
John Boyd, Manager, Misconduct Prevention	Hong Kong	Meeting with ICAC	17 July 2002	Nil	Mr Boyd was on recreation leave in Hong Kong and was recalled to duty to attend this meeting.
Paul Doyle, Det. Supt., Witness Protection & Operations Support	Auckland, NZ	Attendance at Australasian Heads of Witness Protection Conference	19–24 Oct. 2002	\$2351	
Noel Briars, Acting Inspector, Witness Protection	Auckland, NZ	Attendance at Australasian Heads of Witness Protection Conference	19–24 Oct. 2002	\$2336	
Name withheld for security purposes	Auckland, NZ	Operational matter	23–26 Oct. 2002	\$2214	
Name withheld for security purposes	Auckland, NZ	Operational matter	23–26 Oct. 2002	\$2077	
Dr Paul Mazerolle, Director, Research & Prevention	Chicago, USA	Attendance at American Society of Criminology annual meeting	13–16 Nov. 2002	\$4143	
Name withheld for security purposes	Travel from South Korea to Australia	Details withheld	Details withheld	\$3998	CMC paid for return air travel and accommodation for witness to testify at court proceedings in Brisbane.
Name withheld for security purposes	USA	Attendance at Enhanced Protective Operations/Witness Security Training Course by United States Marshals Service (USMS) and visit to regional offices of USMS	31 January to 15 March 2003	\$520	CMC paid for incidental expenses and meal allowance only as this person was already in USA on recreation leave.
Name withheld for security purposes	Canada, Northern Ireland, England, HongKong, Germany	To undertake study/research project on witness protection programs in other countries	2–31 May 2003	Nil	Person recalled to duty for 19 days to undertake this study. Person paid all travel and other expenses.
Narelle George, Senior Misconduct Prevention Officer	Seoul, South Korea	Invited to coordinate and chair a workshop as part of the 11th International Anti-Corruption Conference	25–28 May 2003	\$967	Transparency International met travel costs to and from South Korea and registration fee. CMC met travel allowances for the period of the conference.
John Boyd, Manager, Misconduct Prevention	Las Vegas, USA	Attendance and presentation to the Institute of Internal Auditors 2003 International Conference	22–25 June 2003	\$583	CMC met travel allowance. Registration fee and travel costs to and from conference met by conference organisers.

Appendix G

Publications

Parliamentary reports

Seeking justice: An inquiry into how sexual offence matters are handled by the Queensland criminal justice system, June 2003.

The Volkers case: Examining the conduct of the police and prosecution, March 2003.

Spending public money: An investigation into how certain government grants and contracts were awarded to a commercial company, November 2002.

Forensics under the microscope: Challenges in providing forensic science services in Queensland, October 2002.

Research reports

On the beat: An evaluation of beat policing in Queensland, June 2003.

Perceptions of the Queensland Police Service, June 2003.

Youth justice: Criminal trajectories, June 2003.

Brochures

Making a complaint against a police officer [for Indigenous audiences], June 2003.

The CMC and the QPS working together to fight crime, February 2003.

The CMC: Who we are and what we do (Vietnamese), January 2003.

Making a complaint against a public official, November 2002.

'On the Right Track' series of 10 papers on various corporate governance topics for DOGIT councils, October 2002:

- 1 *Good governance*
- 2 *Being open and transparent*
- 3 *Making strong decisions*
- 4 *Dealing with conflicts of interest*
- 5 *Using council property*
- 6 *Dealing with personal and confidential information*
- 7 *Dealing with inappropriate behaviour and official misconduct*
- 8 *Developing a code of conduct*
- 9 *Developing a reporting and disciplinary process*
- 10 *Risk management — look ahead and look out!*

Is your council on the right track?, November 2002.

The CMC helping councils stay on the right track, November 2002.

CMC–Police taskforces, November 2002.

Making a difference: Governance and accountability of Indigenous councils, October 2002.

Client services charter, July 2002.

Fact sheets

Protecting witnesses, July 2002.

Investigating misconduct, July 2002.

Gathering intelligence, July 2002.

Responding to complaints, July 2002.

Conducting research, July 2002.

Liaising with Indigenous communities, July 2002.

Combating major crime, July 2002.

Combating paedophilia, July 2002.

Working at the CMC, July 2002.

Crime Bulletin

Amphetamine: Still Queensland's No. 1 drug risk, No. 5, June 2003.

Intelligence Digest (in confidence)

October 2002 and April 2003.

E-newsletters

August 2002, November 2002, December 2002, March 2003.

Other

CMC Strategic Plan 2003–07, June 2003

Three-Yearly Review to the PCMC, April 2003.

Annual Report 2001–02, October 2002.

E-Edition, August 2002.

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CMC Financial Statements

There are four main parts to these Financial Statements:

1. Statement of Financial Performance (Revenues and Expenses)
 2. Statement of Financial Position (Balance Sheet)
 3. Statement of Cash Flows
 4. Notes to and forming part of the Financial Statements
-

1. Statement of Financial Performance (Revenues and Expenses)

The Statement of Financial Performance serves to show the comparison of revenues to expenses for the year. Ninety-eight per cent of our revenue is derived from government grants. This year the CMC recorded a surplus of \$40 000.

2. Statement of Financial Position (Balance Sheet)

The Statement of Financial Position is the best guide to the financial health of an organisation. It is a snapshot taken at 30 June that shows what assets were held, what amounts were owing to creditors and staff, and the surplus of assets over liabilities, or, in other words, the equity of the CMC.

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

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

- ▶ *Cash* is the closing balance of all our bank accounts as at 30 June.
- ▶ *Receivables/debtors* represent the amounts of cash we were owed at 30 June and are confident of receiving. The Australian Taxation Office is our biggest debtor, owing us \$229 000 (of the total \$275 000 at 30 June) for GST input tax credits — that is, the refund of GST we have paid to suppliers and government departments.
- ▶ *Prepayments* occur when we pay for things in advance of receiving the services or goods. An example would be an annual membership or maintenance agreement that still has effect after 30 June. The payments in advance that relate to periods after 30 June become our prepayment. (This year it was \$362 000.) Prepayment amounts are expensed in the following financial year.

Non-current assets are those assets that we do not plan to convert into cash within the next 12 months. In the CMC’s case, non-current assets of \$5 804 000 include property, plant and equipment, and leasehold improvements. The CMC leases its accommodation.

- ▶ *Plant and equipment* are those tangible things we need to help us do our work, such as vehicles, electronic equipment, cameras, and computers.
- ▶ *Leasehold improvements* are those building works performed in our leased premises. Initially, leasehold improvements are capitalised and then depreciated (or liquidated) over the remaining life of the lease.

The value of property, plant and equipment and leasehold improvements in the Statement of Financial Position is a net figure derived by subtracting an allowance that represents wear and tear or obsolescence from the original cost of the asset. This allowance is called depreciation (relating to property, plant and equipment and leasehold improvements).

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

Current liabilities are those liabilities where we plan to repay the debt within the next 12 months. In the CMC's case \$2 527 000 in current liabilities relate to payables (creditors), provisions and lease incentives.

- ▶ *Payables or creditors* are those debts we accrue by purchasing goods and services on credit. The CMC policy is to pay all invoices before their due date to ensure any benefits such as discounts for prompt payment are obtained. We also encourage our suppliers to accept electronic funds transfers (EFT), instead of cheque payments, to reduce our administrative overheads.
- ▶ *Provisions* of \$1 215 000 have been set aside to cover employees' accumulated annual leave entitlements as at 30 June. Employees' long service leave entitlements are provided for within the QSuper fund, administered by Queensland Treasury and funded by a levy on our payroll.
- ▶ *Lease incentive liability*. During 1999–2000, the CJC received a total of \$3 515 357 as an incentive to lease premises at Terrica Place. In accordance with Australian Accounting Standard AAS17, we are required to treat this incentive as a liability (borrowing). This liability is then reduced each year by treating part of the lease instalments payable as a repayment. The figure of \$492 000 shown as a current liability represents that part of the liability or borrowing that will be reduced by lease instalments during 2003–04.

Non-current liabilities are those liabilities where we have no legal requirement to repay the debt within the next 12 months. In the CMC's case, 100 per cent of our non-current liabilities of \$1 847 000 relates to the lease incentive.

As mentioned above, in the 1999–2000 financial year, the CJC received a total of \$3 515 357 as an incentive to lease premises at Terrica Place. In accordance with Australian Accounting Standard AAS17, we are required to treat this incentive as a liability (borrowing). This liability is then reduced each year by treating part of the lease instalments payable as a repayment of this borrowing. The amount shown as a non-current liability represents that part of the liability or borrowing that will still be outstanding at 30 June 2004 (that is, will not be extinguished in the next 12 months).

Net assets. The figure for net assets of \$4 931 000 is the difference between the total assets and total liabilities. As our assets exceed our liabilities, the CMC has a good liquidity ratio of 2.13 to 1.

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

The capital/equity contributions of \$4 231 000 relate to the closing equity balances of the CJC and QCC as at 31 December 2001. The closing balances of those organisations became the CMC's opening balance.

The retained surplus of \$700 000 is derived from the \$40 000 surplus generated from the Statement of Financial Performance from the current year, plus last year's balance of \$660 000, being the first year of operation of the CMC.

3. Statement of Cash Flows

This statement represents the CMC's actual movements of cash during the 12-month period to 30 June. For the period to 30 June, there was substantial expenditure, including leasehold improvements to Terrica Place to accommodate the co-location of the Crime function (\$1 324 000). The cash at the end of the reporting period, as shown in the cashflow statement, equals the cash at bank in the Statement of Financial Position.

4. Notes to and forming part of the Financial Statements

The notes explain in more detail particular line item amounts from the Financial Statements. They also disclose other matters such as events after balance date (30 June) and accounting policies.

The notes should be read together with the other parts of the Financial Statements.

CRIME AND MISCONDUCT COMMISSION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003

		2003	Jan.–June 2002
	<i>Notes</i>	\$'000	\$'000
Revenues from ordinary activities	1(b)		
Contributions and grants	1(b) 2(a)	30 553	14 966
Interest	1(g)	352	155
Services received below fair value	1(b)	31	241
Gains from sale of assets	1(b)	46	33
Other revenue	1(b)	44	41
Total revenue from ordinary activities		31 026	15 436
Expenses from ordinary activities			
Depreciation and amortisation	1(d) 2(b)	1 420	612
Employee expenses	2(d)	21 964	10 113
Operating expenses	2(c)	7 581	4 032
Loss from sale of assets	1(b)	21	19
Total expenses from ordinary activities		30 986	14 776
Net result for the reporting period	12	40	660

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

CRIME AND MISCONDUCT COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003

	<i>Notes</i>	2003 \$'000	2002 \$'000
ASSETS			
Current assets			
Cash assets	1(e) 3	2 864	3 287
Receivables	1(f) 4	275	325
Prepayments	5	362	285
Total current assets		3 501	3 897
Non-current assets			
Property, plant and equipment	1(c) 6	2 323	2 617
Leasehold improvements	1(c) 7	3 481	2 702
Total non-current assets		5 804	5 319
TOTAL ASSETS		9 305	9 216
LIABILITIES			
Current liabilities			
Payables	1(h) 8	820	407
Provisions	1(i) 9	1 215	1 087
Other	10	492	492
Total current liabilities		2 527	1 986
Non-current liabilities			
Other	10	1 847	2 339
Total non-current liabilities		1 847	2 339
TOTAL LIABILITIES		4 374	4 325
NET ASSETS		4 931	4 891
EQUITY			
Contributed equity	11	4 231	4 231
Accumulated surplus (deficit)	12	700	660
TOTAL EQUITY		4 931	4 891

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

CRIME AND MISCONDUCT COMMISSION
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2003

		2003	Jan.–June 2002
	<i>Notes</i>	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts:			
LSL levy		(10)	42
Government contributions		30 553	12 569
Interest received		353	165
GST collected		28	21
GST input tax credits received		1 749	681
Other		26	51
		32 699	13 529
Payments:			
Employee costs		(21 411)	(10 289)
Supplies and services		(5 186)	(2 722)
Other (Leases)		(2 856)	(1 454)
GST paid on purchases		(1 672)	(841)
GST remitted to the Australian Taxation Office		(35)	(18)
		(31 160)	(15 324)
Net cash provided by (used in) operating activities	13 (b)	1 539	(1 795)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		233	176
Payments for purchases of plant and equipment		(871)	(1 125)
Leasehold improvements		(1 324)	(19)
Net cash provided by (used in) investing activities		(1 962)	(968)
Net increase (decrease) in cash held		(423)	(2 763)
Cash at beginning of reporting period		3 287	6 050
Cash at end of reporting period	13(a)	2 864	3 287

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

CRIME AND MISCONDUCT COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2003

Note 1: Significant accounting policies

(a) Basis of accounting

General

These financial statements are a general-purpose financial report and have been prepared in accordance with the *Financial Administration and Audit Act 1977*, the *Financial Management Standard 1997*, applicable Australian Accounting Standards, Urgent Issues Group Abstracts, and Statements of Accounting Concepts.

The financial report statements have been prepared on an accrual and going concern basis. They have also been prepared under the historical cost convention, except where specifically stated.

Accounting policies

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

Comparative figures for the prior year relate only to the period 1 January to 30 June 2002, as the Commission was not in existence prior to this period.

Classification between current and non-current

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

Rounding

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

(b) Revenue recognition

Revenue is recognised when goods or services are delivered.

Services acquired for no cost

For the values of services received free of charge, an equal amount is recognised as revenue and as an expense.

Government contributions

Government grants and contributions are recognised as operating revenue on receipt or when an entitlement is established, whichever is the sooner.

Sale of assets

The profit or loss on sale of assets is determined when control has passed to the buyer.

CRIME AND MISCONDUCT COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2003

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

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition.

Actual cost is used for the initial recording of all acquisition of assets controlled and administered by the Commission.

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

Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

Property, plant and equipment items with a cost or value in excess of \$1000 and a useful life of more than one year are recognised as assets. All other items of property, plant and equipment are expensed on acquisition.

Repairs and maintenance

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

Operating leases

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

Leasehold improvements

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

Costs relating to the fit-out of our leasehold premises at Terrica Place have been capitalised as leasehold improvements and, in accordance with AAS4 'Depreciation', are being depreciated over the term of the lease.

(d) Depreciation of property, plant and equipment

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

Where assets have separately identifiable components, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the original assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Commission.

CRIME AND MISCONDUCT COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR YEAR ENDED 30 JUNE 2003

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

<u>Class</u>	<u>Periods</u>
General and technical equipment	
General	7 years
Technical	5 years
Computer equipment	3 years
Motor vehicles	5 years
Leasehold improvements Terrica Place (initial period)	7.75 years
Leasehold improvements other	4.68 years

(e) Cash assets

For the purposes of the Statement of Financial Position, cash assets include all cash and cheques receipted but not banked as well as deposits at call with financial institutions. They also include liquid investments with short periods to maturity that are convertible to cash on hand at the Commission’s option and that are subject to low risk of changes in value.

(f) Receivables

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

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

Bad debts are written off in the period in which they are recognised.

(g) Other financial assets

Investments are measured at cost.

Interest and dividend returns are recognised on an accrual basis.

(h) Payables

Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the Commission. Creditors are generally unsecured, not subject to interest charges, and are normally settled within 30 days of invoice receipt.

(i) Provision for employee entitlements

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date, having regard to current rates of pay and on-costs. Annual leave entitlements are provided for at their nominal value.

Long service leave

Under the State Government’s long service leave scheme, a levy is made on the Commission to cover this expense. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken.

CRIME AND MISCONDUCT COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR YEAR ENDED 30 JUNE 2003

No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-government basis and reported in the financial report prepared pursuant to AAS31 — *Financial Reporting by Governments*.

Superannuation

Employees of the Crime and Misconduct Commission are members of QSuper. Contributions to employee superannuation plans are charged as expense as the contributions are paid or become payable.

For employees in QSuper, the Treasurer of Queensland, based on advice received from the State Actuary, determines employer contributions for superannuation expenses.

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

(j) Taxation

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

(k) Lease incentive

In accordance with UIG Abstract 3 ‘Lessee Accounting for Lease Incentives under a Non-Cancellable Operating Lease’, the lease incentive payment has been recognised as a liability which will be offset against lease instalments payable over the term of the lease.

(l) Insurance

The CMC is insured by the Queensland Government Insurance Fund for property and general liability.

	Jan.–June
2003	2002
\$’000	\$’000

Note 2: Statement of financial performance — disclosures

(a) Revenue

Contributions and grants

— Government	30 533	14 950
— Other	20	16
	30 553	14 966
Services received below fair value	31	241
Interest	352	155
Gains from sale of assets	46	33
Other revenue	44	41
	473	470

CRIME AND MISCONDUCT COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2003

	2003 \$'000	Jan.-June 2002 \$'000
Total operating revenue	31 026	15 436
(b) Depreciation		
Motor vehicles	168	86
Computer equipment	412	148
General and technical equipment	330	152
Leasehold improvements	510	226
	1 420	612
(c) Operating expenses		
Rental expense — operating lease	2 856	1 434
Auditors' remuneration	31	15
Communications	322	160
Computer software/services	85	128
Consultants	56	38
Contractors	87	31
Contract support	146	198
Electricity	117	52
Employment agency staff	105	51
Equipment — non assets	114	232
Information retrieval and access	210	138
Maintenance	258	134
Motor vehicles	226	155
Operational expenses	505	140
Other supplies and services	1423	387
Other suppliers and services (goods provided below fair value)	31	244
Project costs	126	118
Security	241	118
Travel	550	248
Other	92	11
	7 581	4 032
(d) Employee expenses		
Salaries and wages	16 909	7 802
Employer superannuation contributions	2 169	1 001
Annual leave	899	437
Long service leave	265	124
Other employee-related expenses	1 722	749
	21 964	10 113

The Commission had 282.2 full-time equivalent employees at 30 June 2003 (276.5 full-time equivalents at 30 June 2002).

CRIME AND MISCONDUCT COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR YEAR ENDED 30 JUNE 2003

	2003 \$'000	Jan.–June 2002 \$'000
Note 3: Cash assets		
Cash on hand	41	22
Cash at bank	367	207
Deposits on call	2 456	3 058
	2 864	3 287
The Commission has provided a \$300 000 bank guarantee pursuant to a lease agreement. This amount is included in ‘deposits on call’ above.		
Note 4: Receivables		
Trade debtors	17	7
GST input tax credits receivable	229	306
Other receivables	29	12
	275	325
Note 5: Prepayments		
Prepayments	362	285
	362	285
Note 6: Property, plant and equipment		
Motor vehicles	780	902
Less: accumulated depreciation	(252)	(233)
	528	669
Computer equipment	1 526	1 447
Less: accumulated depreciation	(818)	(530)
	708	917
General and technical equipment	2 334	2 029
Less: accumulated depreciation	(1 247)	(998)
	1 087	1 031
Total property, plant and equipment	2 323	2 617

CRIME AND MISCONDUCT COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2003

	Motor vehicles	Computer equipment	General & technical equipment
	2003 \$'000	2003 \$'000	2003 \$'000
Asset gross value:			
Opening balance	902	1 448	2 029
Purchases	224	212	389
Disposals	(346)	(134)	(84)
Closing balances	780	1 526	2 334
Accumulated depreciation:			
Opening balance	(233)	(530)	(998)
Depreciation expense	(168)	(411)	(330)
Depreciation on assets disposed of	149	123	81
Closing balances	(252)	(818)	(1 247)
Total property, plant and equipment	528	708	1 087

2003
\$'000

2002
\$'000

Note 7: Leasehold improvements

Leasehold improvements — gross value

Opening balance	3 579	3 538
Purchases	1 345	41
Disposals	(67)	0
Closing balance	4 857	3 579

Accumulated depreciation:

Opening balance	(877)	(651)
Depreciation expense	(510)	(226)
Depreciation on improvements disposed of	11	0
Closing balance	(1 376)	(877)

Total leasehold improvements

3 481

2 702

Note 8: Payables

Trade creditors	223	110
GST payable	0	5
Accrued salaries and wages	427	123
Accrued long service leave levy	49	45
Other employee-related expenses	118	100
Other	3	24
	820	407

CRIME AND MISCONDUCT COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR YEAR ENDED 30 JUNE 2003

2003	2002
\$'000	\$'000

Note 9: Provisions

Current

Employee entitlements — annual leave	1 215	1 087
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Movements in provisions

Balance 1 July	(1 087)	(436)
Additional provisions recognised	(899)	(1 012)
Reductions in provisions as a result of payments	771	361
Balance as at 30 June	(1 215)	(1 087)

Note 10: Other liabilities

Current

Lease incentive	492	492
	492	492

Non-current

Lease incentive	1 847	2 339
	1 847	2 339

Note 11: Contributed capital

Balance at the beginning of the reporting period	4 231	4 209
Non-appropriated equity adjustment	0	22
Balance at the end of the reporting period	4 231	4 231

Note 12: Accumulated surplus

Balance at the beginning of the reporting period	660	0
Net surplus	40	660
Balance at the end of the reporting period	700	660

Note 13: Statement of cash flows — disclosures

(a) Cash at the end of the year, as shown in the Statement of Cash Flows

Cash on hand	41	22
Cash at bank	367	207
Deposits on call	2 456	3 058
	2 864	3 287

CRIME AND MISCONDUCT COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2003

	2003 \$'000	2002 \$'000
(b) Reconciliation of net cash from operating activities to net result for the period		
Net result for the period	40	660
Non-cash items:		
Depreciation expense	1 420	612
Other non-cash transactions adjustment	59	(11)
Change in operating assets and liabilities:		
(Decrease) Increase in LSL payable	3	(5)
(Decrease) Increase in lease capitalisation	(492)	(246)
(Increase) Decrease in interest receivable	1	10
(Increase) Decrease in LSL reimbursement receivable	(10)	42
(Increase) Decrease in other receivable	(19)	11
Increase (Decrease) in GST payable	(5)	0
(Increase) Decrease in GST input tax credits receivable	77	(159)
(Increase) Decrease in prepayments	(77)	(74)
(Decrease) Increase in accounts payable	90	(16)
(Decrease) Increase in salaries payable	303	(199)
(Decrease) Increase in employee entitlements	21	99
Increase (Decrease) in provisions — annual leave	128	76
(Decrease) Increase in grant in advance	0	(2 397)
Net cash provided by (used in) operating expenses	1 539	(1 795)

Note 14: Financial instruments

(a) Interest rate risk

The exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

Financial instrument	Floating interest rate		Fixed interest rate maturing in 2003		Non-interest bearing		Total carrying amount as per Statement of Financial Position	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Average interest rate	4.5%	4.24%	n/a	4.75%				
Financial assets								
Cash	2 823	265	0	3 000	41	22	2 864	3 287
Receivables	0	0	0	0	275	325	275	325
Prepayments	0	0	0	0	362	285	362	285
Total financial assets	2 823	265	0	3 000	678	632	3 501	3 897
Financial liabilities								
Payables	0	0	0	0	820	407	820	407
Total financial liabilities	0	0	0	0	820	407	820	407

CRIME AND MISCONDUCT COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR YEAR ENDED 30 JUNE 2003

(b) Net fair value

Financial instrument	Total carrying amount as per Statement of Financial Position		Aggregate net fair value	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<i>Financial assets</i>				
Cash	2 864	3 287	2 864	3 287
Receivables (trade debtors)	275	325	275	325
Prepayments	362	285	362	285
Total financial assets	3 501	3 897	3 501	3 897
<i>Financial liabilities</i>				
Payables	820	407	820	407
Total financial liabilities	820	407	820	407

(c) Credit risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Statement of Financial Position. There are no concentrations of credit risk.

Note 15: Segment reporting

The CMC contributed to public sector accountability and to the administration of criminal justice in Queensland.

2003	2002
\$'000	\$'000

Note 16: Commitments

Capital commitments

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

Detail of items

Unfinalised capital works where work has been performed but not finished

Outstanding capital commitments are likely to be exercised as follows:

Payments due:	
— within one year	165 0

CRIME AND MISCONDUCT COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR YEAR ENDED 30 JUNE 2003

	2003	2002
	\$'000	\$'000

Operating commitments

Lease commitments

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

Detail of items

Premises

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

Payments due:

— within one year	2 254	3 033
— one to five years	9 604	11 092
— over five years	0	2 419
	11 858	16 544

Vehicles

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

Payments due:

— within one year	270	284
— one to five years	64	139
	334	423

Other significant operating commitments

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

Detail of items

Operating supplies and services

Research survey

Outstanding operating commitments are likely to be exercised as follows:

Payments due:

— within one year	74	314
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Note 17: Contingent liabilities

Litigation in progress

As at 30 June 2003, there were five cases unfinalised. Two are likely to be settled for approximately \$145 000. The Commission’s legal advisers believe it would be misleading to estimate the final costs and damages (if any) payable in respect of the remaining litigation. In their opinion there is little likelihood of significant damages being awarded against the Commission.

CRIME AND MISCONDUCT COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR YEAR ENDED 30 JUNE 2003

Note 18: Superannuation

The Commission contributes in respect of its employees to the State Public Sector Superannuation Scheme. The total contribution to the QSuper Fund was \$2 164 306.

As at the reporting date, there were no outstanding contributions payable to the fund. As at the reporting date, there were no loans to or from the Commission to the above fund.

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

Note 19: Remuneration of Commissioners

Remuneration received, or due and receivable by Commission members from the Commission in connection with the management of the Commission. Remuneration includes salary, fees and contributions to members' superannuation.

The remuneration paid to each Commission member is as follows:

(a) Chief Executive's remuneration

Title:

Chairperson

Superannuable salary and expense of office allowance:

\$249 615 per annum

The Chairperson's conditions of employment also include entitlement to private use of a motor vehicle, public service leave and leave loading entitlements and membership of the State Public Sector Superannuation Scheme. The Chairperson is not eligible to be considered for a performance bonus or to participate in the State Long Service Leave Scheme.

	2003	2002
	\$	\$
(b) Commissioners' remuneration		
Sally Goold	34 678	16 257
Ray Rinaudo*	34 678	18 201
Margaret Steinberg	34 678	16 257
Hon. William Pincus	34 678	20 578

* Mr Rinaudo is also appointed a Police Service Review Commissioner under the *Police Service Administration Act 1990* and received \$8775 for duties performed in that role.

CRIME AND MISCONDUCT COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2003

Note 20: Money held in trust

The Commission held at 30 June 2003 \$3861 (2002 — \$3857) in trust for a number of people as a result of operational activities. As the Commission only performed a custodial role in respect of the balances, they are not recognised in the financial statements but are disclosed here for information purposes.

Note 21: Post-balance-date event

The Commission is not aware of any significant post-balance-date events.

Note 22: Special payments

An ex gratia payment of \$197 469 was made to P. M. Le Grand as a result of litigation in relation to an investigation commenced while he was an employee of the former CJC. The Commission also resolved not to pursue costs in the amount of \$60 000 (approximately) that would have ordinarily been due and payable to the Commission.

CRIME AND MISCONDUCT COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR YEAR ENDED 30 JUNE 2003

CERTIFICATE OF THE CRIME AND MISCONDUCT
COMMISSION

This general-purpose financial report has been prepared pursuant to section 46F of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements. In accordance with section 46F(3) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the Crime and Misconduct Commission's transactions for the financial year ended 30 June 2003 and of the financial position of the Commission at the end of that year.

Stephen Firth
Finance Manager
Date: 22.9.2003

Brendan Butler SC
Chairperson
Date: 22.9.2003



CRIME AND MISCONDUCT COMMISSION
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR YEAR ENDED 30 JUNE 2003

INDEPENDENT AUDIT REPORT

To the Commission of the Crime and Misconduct Commission

Matters relating to the electronic presentation of the audited financial statements

The audit report relates to the financial statements of the Crime and Misconduct Commission for the financial year ended 30 June 2003, included on the CMC's website. The Commission is responsible for the integrity of the CMC's website. The audit report refers only to the financial statements identified below and does not include a review of the integrity of this website or provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial statements, available from the CMC, to confirm the information included in the audited financial statements presented on this website.

These matters also relate to the presentation of the audited financial statements in other electronic media including CD-ROM.

SCOPE

The financial statements

The financial statements of the Crime and Misconduct Commission consist of the statement of financial performance, statement of financial position, statement of cash flows, notes to the financial report and certificates given by the Chairperson and person responsible for the financial administration of the Crime and Misconduct Commission for the year ended 30 June 2003.

The Commission's responsibility

The Commission is responsible for the preparation and true and fair presentation of the financial statements, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

As required by law, an independent audit was conducted in accordance with *QAO Auditing Standards* to enable me to provide an independent opinion whether in all material respects the financial statements present fairly, in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

Audit procedures included:

- examining information on a test, sample basis to provide evidence supporting the amounts and disclosures in the financial statements
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Commission
- obtaining written confirmation regarding the material representations made in conjunction with the audit and
- reviewing the overall presentation of information in the financial statements.

INDEPENDENCE

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has, for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

AUDIT OPINION

In accordance with section 46G of the *Financial Administration and Audit Act 1977* —

- (a) I have received all the information and explanations which I have required and
- (b) in my opinion —
- (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects and
 - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Crime and Misconduct Commission for the financial year 1 July 2002 to 30 June 2003 and of the financial position as at the end of that year.

V P MANERA
Deputy Auditor-General
(Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

