

# Annual Report 2003–04

This annual report relates to the goals and strategies outlined in the CMC's Strategic Plan for the period 2003–07, and to business plans for the period 2003–04. The Strategic Plan is available on the CMC's website, <[www.cmc.qld.gov.au](http://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 2004

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 third annual report of the Crime and Misconduct Commission, which covers the 2003–04 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

Margaret Steinberg AM, Commissioner

# MESSAGE FROM THE CHAIRPERSON

My term as Chairperson of the Crime and Misconduct Commission finishes at the end of 2004. After almost six years heading first the Criminal Justice Commission and then the CMC this will be my last opportunity to reflect, in an annual report, on what has been achieved.

This year the CMC has been very productive indeed.

The CMC's most noteworthy commitment during the year was the public inquiry into abuse of children in foster care in Queensland. I held public hearings over two weeks and received more than 228 written submissions. What I was told during the public inquiry was alarming and led to the sad realisation that the state's child protection system had for years failed Queensland children in many important respects. The CMC delivered to State Parliament an extremely comprehensive report which heralded a new era for child protection in Queensland and provided a blueprint for practical and achievable reform.

It has given me great satisfaction to contribute to this reform process, which has the prospect of improving the lot of many Queensland children, both now and well into the future.

While the Foster Care Inquiry dominated the CMC's year, the Commission continued its ongoing work of fighting major crime and raising public sector integrity.

Our crime investigators continued to pursue those who use the Internet to prey on young people. A string of arrests have resulted from the detection of offenders seeking to sexually proposition children over the Internet. In these instances the person approached was a covert CMC police officer, not an actual child. Through this and other activities we continue to protect our young people from the dangers posed by use of the Internet.

Strategic intelligence assessments by the CMC have identified the crime market in amphetamines as being of highest risk for the Queensland community. With this in mind, the CMC's organised crime operations have particularly focused on the amphetamine trade.

During the year the CMC conducted 15 organised crime operations, in close partnership with the QPS and other law enforcement agencies. Three of the operations succeeded in considerably disrupting the illicit amphetamine market in Queensland and dismantled well-established drug networks with interstate connections.



*Brendan Butler SC, Chairperson*

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The CMC continued to produce high-quality crime research. A notable example is our joint research with Queensland Health that revealed patterns of amphetamine use in Queensland.

The challenge for the CMC when it commenced on 1 January 2002 was to ensure that the merger of its two predecessor organisations, the Queensland Crime Commission and the Criminal Justice Commission, would result in improved outcomes for the Queensland community. This has been achieved.

The crime operations of the CMC have benefited from access to enhanced intelligence, surveillance, technical and administrative resources. The CMC misconduct function has utilised the change in emphasis brought about by the *Crime and Misconduct Act 2001*, to not only investigate complaints of misconduct but to build the capacity of public sector agencies to deal with and prevent misconduct themselves.

The CMC received 3964 misconduct complaints this financial year – a record number. This represented a 36 per cent increase on the previous year. This surge in complaints can be attributed to better public knowledge of the CMC and increased awareness in the public sector of the obligation to report to the CMC, rather than any suggestion that corruption is becoming rife.

Our experience suggests that an overwhelming proportion of matters reported to the CMC related to suspected misconduct of a relatively minor kind which could be safely dealt with by the agency involved. More serious complaints continue to be investigated by the CMC – 105 this year. Many of those investigations were substantial. Some, for example, targeted instances of serious fraud in the public sector. The public can be satisfied that the framework to ensure integrity in the Queensland public sector is working well.

The CMC continued to provide all witness protection for Queensland law enforcement, this year protecting 121 people in 55 operations. The Commission continues to be the lead agency in Australasia for witness protection training, after developing the first nationally accredited police course in witness protection.

Through high-profile CMC investigations our public profile has increased. But the CMC is much more than just a headline. In fact, the bulk of the CMC's work is rarely mentioned publicly, but is just as significant

in raising the integrity of the Queensland public sector and combating major crime. I am referring to the thousands of complaints assessed each year, the behind-the-scenes work with agencies to reduce crime and misconduct, the ongoing operations targeting organised crime and paedophilia, the witnesses protected and the important research conducted. This work is the backbone of the CMC.

Over the past three years, the CMC has strived to become respected in Queensland for its professionalism and independence. We have set higher standards for the police and the public sector and for those involved in politics. I believe we have achieved our mission, thanks to the hard work of the CMC staff. The organisation is now recognised, by both sides of politics and the community in general, as an essential element of the Queensland system of government.

Queensland now has a police service and a public service that are largely free of the taint of corruption, but it is the CMC's mission to keep them that way. We might have successfully moved on from the days of corruption exposed by the Fitzgerald Inquiry, but the CMC still has a continuing relevance in Queensland. If we fail to be vigilant there is a risk of serious corruption re-emerging. We cannot afford to be complacent.

The past six years have been both challenging and satisfying for me. I am proud to have shared with so many dedicated people both within and outside the CMC the goal of making Queensland a safer and more ethical state.

I wish to acknowledge the assistance I have received from my fellow Commissioners at both the CMC and the CJC. Those very talented and distinguished people give much time and effort to their role as part-time Commissioners. Without their support my task would have been immeasurably more difficult.

I would especially like to thank our staff, whose commitment and dedication is the primary source of the Commission's successes. It has been my privilege to have shared with them this valuable and fulfilling experience over the past six years.

**Brendan Butler SC**  
Chairperson

# HIGHLIGHTS OF 2003–04

## Crime

- > Began 24 joint investigations with the QPS and other law enforcement agencies.
- > Conducted 15 organised crime operations, four of them new; 11 carried over from last year, 10 of which were finalised.
- > Involved in 15 paedophilia investigations, greatly assisted by changes to the Criminal Code last year. Paedophile networks exposed, in Australia and overseas; 28 arrests made and 288 charges laid.
- > Five serious crime investigation applications referred to the CMC by the Crime Reference Committee; ten continued from 2002–03, seven of which were finalised.
- > Held investigative hearings in relation to eight serious crime investigations.
- > Under *Criminal Proceeds Confiscation Act 2002*, \$10.547m in assets restrained through civil confiscation. Two matters finalised; \$768 000 forfeited to the state.
- > Investigated allegations that the Brisbane City Council suppressed findings of Brisbane River flood studies; allegations not substantiated, but recommendations for procedural reform made.
- > Investigated allegations of a cover-up, in an incident where wine was taken to a restricted area (Lockhart River) on the State Government aircraft; allegations of a cover-up could not be substantiated.
- > Investigated allegations against a police officer for stealing drug exhibits; the officer was convicted and sentenced to 12 months' imprisonment.
- > Investigated allegations that a police officer was involved in prostitution; the officer was convicted and resigned from the service.

## Intelligence

- > As a result of monitoring activities, the CMC's Strategic Intelligence Unit (SIU) referred three organised crime matters and two misconduct matters for further investigation.
- > Collated 467 intelligence reports to IRAS, of which 391 were passed on to partner agencies.
- > Published two intelligence digests on organised crime issues.
- > Highly successful Human Source Operations course developed by SIU; two courses planned for 2004–05.

## Witness protection

- > Protected 121 people in 55 operations.
- > Witness Protection Course registered as an Advanced Diploma in Public Safety. WPU accorded lead agency status for witness protection training in Australia.

## Misconduct

- > Received 3964 complaints, which was a 36 per cent increase on the previous year.
- > Monitoring and Support Unit audited 531 complaints referred to public sector agencies.
- > Carried out a total of 105 misconduct investigations during the year.
- > Conducted major inquiry into the Abuse of Children in Foster Care in Queensland, resulting in a 400-page report containing 110 recommendations for reform.
- > Investigated allegations against Queensland Member of Parliament Ken Hayward; no evidence of misconduct found, but procedural recommendations were made.

## Research

- > Conducted major research component of inquiry into foster care; coordinated report, *Protecting children*.
- > Produced report of Amphetamines in Queensland research project, *Patterns of amphetamine use*, in association with Queensland Health.
- > Published reports on topics including police pursuits as a law enforcement and public safety issue; public perceptions of Queensland public service and local government; a CMC audit of police interview tapes.
- > Released a research paper on recidivism among youthful offenders in Queensland.
- > Continued evaluation of *Prostitution Act 1999* and of adult entertainment industry in Queensland.

## Promoting integrity

- > Visited Rockhampton, Longreach, Logan and Kingaroy to provide information sessions for public sector agencies.
- > Held public sector liaison officer forums in September 2003 and March 2004.
- > Launched *Facing the facts: a CMC guide for dealing with allegations of suspected official misconduct in public sector agencies*, which was very well received.
- > Published *Profiling the Queensland public sector*, an assessment of misconduct risks and prevention strategies, which complements an equivalent publication in New South Wales.
- > Produced a kit for local government councillors (particularly newly elected ones), containing useful Prevention Pointers and Building Capacity papers.
- > Continued to work with Indigenous people and their communities in a variety of ways.

## Managing the organisation

- > Strategic communication plan produced in early 2004, with the aim of improving internal and external communication.

# FINANCIAL SUMMARY 2003–04

## 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 2004, this was \$31.433m (98.35% of revenue), which for a full year is less than 2 per cent of the Queensland law, order and public safety policy budget.

## Expenses

Most of the CMC's expenses for the period related to employees (\$22.973m), with supplies and services (\$6.859m) and depreciation (\$1.611m). Total expenses were \$31.735m for the year ended 30 June 2004.

## Assets

Total current and non-current assets as at 30 June 2004 totalled \$8.912m.

## Liabilities

Total liabilities as at 30 June 2004 were \$3.747m. This included \$1.354m for the lease incentive liability for the Terrica Place premises, \$1.250m for employee leave entitlements not taken, and \$0.612m for accrued expenses and trade creditors.

## Net equity

As at 30 June 2004, the CMC's net equity was \$5.165m.

### Financial summary for year ended 30 June 2004

	\$'000
<b>For the year</b>	
Queensland Government grant	31 433
Operating revenue	527
Total revenues	31 960
Operating expenses	31 735
Operating surplus	225
<b>At year end</b>	
Total assets	8 912
Total liabilities	3 747
Net assets	5 165

# ABOUT THE CMC

The CMC protects Queenslanders from major crime and promotes a trustworthy public sector

The Crime and Misconduct Commission (CMC) is a statutory body, independent of the government of the day but answerable to the people of Queensland. Its mission is to help police fight major crime — such as drug trafficking, paedophilia and other serious crimes — and work with Queensland public sector agencies to reduce misconduct and promote integrity in the public sector. In addition, the CMC offers a witness protection service and conducts research in support of its broader goals.

After describing the five-member Commission, this section of the report gives a brief history of the CMC, followed by an overview of its outputs, functions, special powers and accountability. See page 10 for an organisational chart of the CMC.

## The Commission

The CMC is headed by a five-member Commission, which comprises a Chairperson (who is also CEO) and four Commissioners (see photograph below).

The Commission exercises the primary decision-making role. It bears the legal responsibility for all CMC functions, determines policy and makes important decisions on the conduct of hearings and the issuing of reports.

The members of the Commission are all appointed by the Governor-in-Council for fixed terms of not more than five years. Two Commissioners — Sally Goold and Ray Rinaudo — will complete their five-year term later in 2004. See page 59 for more details about the Commission.



*The Commission as at 30 June 2004.*

*Clockwise from top left: Ray Rinaudo, the Hon. Bill Pincus QC, Prof. Margaret Steinberg AM, Brendan Butler SC (Chairperson), Sally Goold OAM.*



## History of the CMC

The CMC came into being on 1 January 2002, under the *Crime and Misconduct Act 2001*. It absorbed the functions of two well-established Queensland law enforcement agencies: the Criminal Justice Commission (CJC) and the Queensland Crime Commission (QCC).

The CJC was formed as a result of the 1987–89 Fitzgerald Commission of Inquiry into Police Corruption in Queensland (known as the Fitzgerald Inquiry). From its inception, the CJC focused its efforts on raising the standards of accountability, integrity and performance in the Queensland public sector, particularly in the 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 Queensland Police Service (QPS). The CMC continues this work today, although with greater emphasis on the QPS taking responsibility for dealing with police complaints. Indeed the CMC refers most complaints to public sector agencies to deal with, as part of the statutory requirement to devolve more responsibility to the agencies themselves.

For several years the CJC handled the responsibility of investigating organised crime, mainly through joint participation with the QPS in the Joint Organised Crime Taskforce. Then in 1998, under the *Crime Commission Act 1997*, the QCC was formed to take over this function and to develop it further, with a special focus on criminal paedophilia.

The partnership that was forged with the police by the CJC and QCC lives on in the CMC. The CMC remains committed to the continuous improvement of the police service.

As well as working in partnership with the QPS to fight major crime, the CMC oversees the QPS's accountability processes, and helps the QPS improve its policing methods.

The CMC's relationship with the QPS can be seen at work in its three outputs: 'Combating major crime', 'Improving public sector integrity'

and 'Protecting witnesses'. Its relationship with other public sector agencies can be seen at work mainly in its 'Improving public sector integrity' output.

## Outputs



### Combating major crime

The CMC works with the police to fight major crime, defined in the Crime and Misconduct Act as encompassing:

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

The CMC investigates, disrupts and dismantles networked and organised criminal activity, and keeps law enforcement agencies and policy makers abreast of crime trends and crime prevention strategies. In this way the CMC both combats and helps to prevent major crime.

The CMC is not an alternative police service. It has special powers, expertise and resources that permit it to make a significant contribution, but its effectiveness depends on its enduring partnerships with other law enforcement agencies, particularly the QPS. The strengthening of those partnerships through cooperation in tactical investigations and, more generally, through liaison and information exchange is an organisational imperative for the CMC.

The impact of the CMC's response to major crime does not stop at the state border. Given that criminal activity does not recognise jurisdictional boundaries, CMC



crime investigations can have national and international ramifications.

Crime matters come to the CMC through the Crime Reference Committee, a six-member committee comprising the CMC Chairperson; the CMC Assistant Commissioner, Crime; the Queensland Commissioner of Police; the Commissioner for Children and Young People, and two community representatives (see photograph on page 11). The committee, established under the Crime and Misconduct Act, 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 it can investigate such matters without further referral from the committee. *For performance in 2003–04, see pages 11–26.*



### Improving public sector integrity

Although the CMC refers the vast majority of matters to agencies to deal with themselves subject to CMC monitoring, the CMC investigates the most serious complaints that Queenslanders may have about the misconduct of public officials. It is through these efforts that public servants who engage in serious misconduct, such as fraud, can be brought to account for their actions.

Under the Crime and Misconduct Act, 'misconduct' refers to official misconduct (which applies to all public sector officials, including police) or police misconduct (which relates only to police officers):

- > **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 demonstrates that person's unfitness to be or continue as an officer, or does not meet the standard of conduct that the community reasonably expects of a police officer.

The Crime and Misconduct Act encourages all public sector agencies, including the QPS, to deal with the misconduct of their own staff. At the same time, the Act empowers the CMC to monitor how public sector agencies handle cases of suspected official misconduct and how the QPS handles cases of police misconduct and official misconduct. The Act also empowers the CMC to assume responsibility for an investigation if the public interest requires it, or if the relevant agency is not equipped to handle the investigation.

Cases of suspected official misconduct come to the CMC's attention through referrals by chief executive officers and police (who are obliged to report suspected official misconduct to the CMC), through its own initiative and intelligence work, and through complaints made by the public.

The CMC may decide to investigate a matter alone or in partnership with the relevant agency, or ask the agency itself to deal with it subject to some form of monitoring. As with the Crime function, the Misconduct function relies on the use of multidisciplinary teams.

The CMC's jurisdiction for improving public sector integrity encompasses state government departments and statutory bodies, state-run schools, universities and TAFE institutes, local government councils, prisons (state and private), the QPS, judicial officers and Queensland parliamentarians. *For performance in 2003–04, see pages 27–52.*



### Protecting witnesses

The CMC offers a witness protection service to those in danger as a result of having helped a law enforcement agency

fulfil its responsibilities. The CMC's Witness Protection Unit has operated since the days of the Fitzgerald Inquiry when certain witnesses to the Inquiry required police protection. *For performance in 2003–04, see pages 53–56.*

## Support functions

The CMC's outputs are supported by the following key operational areas:

- > **Research and Prevention**, which encompasses research into crime and corruption, and misconduct prevention services.

*For performance in 2003–04, see 'Combating major crime' and 'Improving public sector integrity'.*

- > **Intelligence and Information**, which encompasses the gathering and analysis of intelligence in support of crime and misconduct investigations, and the maintenance of the organisation's information management infrastructure. *See also Figure 1, page 10. For performance in 2003–04, see 'Combating major crime', 'Improving public sector integrity' and 'Organisational capability'.*

- > **Operations Support**, which coordinates the activities of police working in the CMC, and provides expert staff in surveillance and technical services, and forensic computing. *For more details, see page 57; for performance in 2003–04, see 'Combating major crime', 'Improving public sector integrity' and 'Organisational capability'.*

The organisation as a whole is supported by the **Corporate Services** function, which encompasses internal and external accountability systems, corporate governance and financial, administrative, human resource and communication services. *For performance in 2003–04, see 'Organisational capability'.*

## Accountability

While independent of the government of the day, the CMC is fully accountable to the people of Queensland through an all-party parliamentary committee known as the Parliamentary Crime and Misconduct Committee (PCMC), which is assisted by the Parliamentary Crime and Misconduct Commissioner. The PCMC oversees the CMC's activities and investigates complaints against it. *See pages 61–67 for more details about the CMC's accountability.*



*The Parliamentary Crime and Misconduct Committee.*

*Clockwise from top left: Mr John English MP (Redlands); Mr Stuart Copeland MP (Cunningham); Mr Michael Choi MP (Capalaba); Mrs Liz Cunningham MP (Gladstone); Mr Geoff Wilson MP (Ferny Grove), Chair; Mr Howard Hobbs MP (Warrego), Deputy Chair. Absent: Ms Cate Molloy MP (Noosa).*

## Special powers

The CMC has been given special powers to enable it to gather vital evidence and information in the fight against crime and corruption. As a result, the CMC may:

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

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

Powers under both the Crime and Misconduct Act and the *Police Powers and Responsibilities Act 2000* are used, depending on operational considerations. *For the use of these powers in 2003–04, see Tables 3 (page 14), 4 (page 17) and 7 (page 18).*

## The hearings power

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

The hearings power is a potent investigative tool because it greatly enhances the CMC's ability to break through the 'wall of silence' that frequently characterises major crime and corruption. At the same time, the CMC is 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 use of such a power by the CMC is a vital tool for responding to the increasing sophistication of organised crime and the impact of serious crime on society. It recognises that some crimes can at times defy ordinary investigative methods.

## Telephone interception powers

Unlike law enforcement agencies such as the Australian Crime Commission (ACC) and the Australian Federal Police (AFP), the CMC does not have telephone interception powers. It can gain access to these powers through joint operations, but only when there are federal or cross-border aspects to the investigation. The CMC's priorities, however, sometimes differ from those of Commonwealth and interstate agencies. Hence these important powers are not available in many CMC investigations of major crime and corruption. The CMC will continue to press for these powers.

## 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 insights into the processes adopted within the system.

The holding of public inquiries has a twofold benefit:

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

An important public inquiry was held this year in relation to the Queensland foster care system. *For details see pages 38–39.*

As at 30 June 2004, a public inquiry into police radio communications was scheduled to commence in late July. *See page 41.*

## Limitations

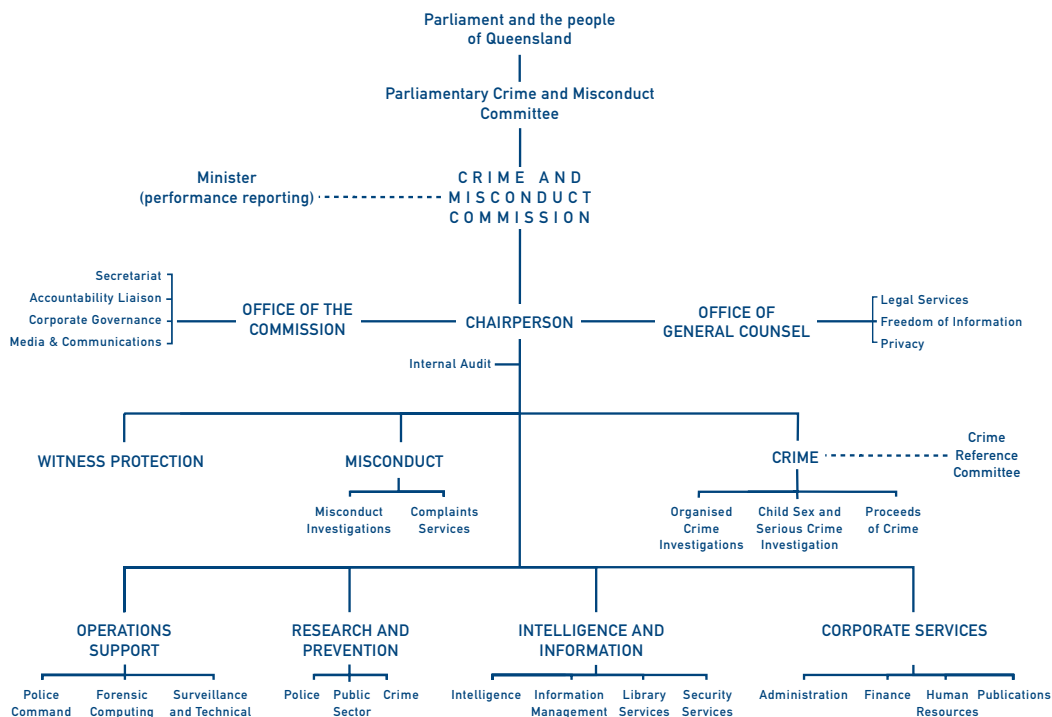
The CMC is not a court. It cannot find people guilty or not guilty, or discipline anyone, although it can refer matters to the Director of Public Prosecutions (DPP) with a view to criminal prosecution, or to the appropriate chief executive officer to consider disciplinary action. It can also charge officers with official misconduct in a Misconduct Tribunal.

The CMC cannot investigate:

- > private sector matters, unless they arise out of dealings with the public sector
- > issues arising in other states or territories
- > federal parliamentarians, departments or agencies.

Because of the potentially intrusive nature of some of the CMC's work, it must seek the approval of a Supreme Court judge or the Public Interest Monitor before exercising certain powers.

**Figure 1. Structure of the CMC**



# COMBATING MAJOR CRIME

The CMC combats major crime by working in partnership with police and by conducting research into crime prevention

Using its research, intelligence, investigative, financial and legal expertise, the CMC works in partnership with the QPS and other law enforcement agencies to make optimal use of available resources. This section of the report details the CMC's achievements for the year in investigating and preventing major crime.

## Conducting effective multidisciplinary investigations

In addition to individual matters referred by the Crime Reference Committee (CRC), the CMC has a number of 'umbrella' referrals which allow it to investigate such matters without further referral from the committee. These 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 organised criminal activity undertaken to advance a political, religious or ideological cause with the intention of intimidating the government or the public.

*Table 2 (page 13) lists referrals current in 2003–04 and indicates which ones were completed. Tables 3–7 give statistics on the use of CMC powers in major crime investigations in 2003–04.*

### Strategies

- > Conduct effective multidisciplinary investigations into major crime, including organised crime and paedophilia.
- > Undermine the financial basis of, and incentive for, crime by identifying and targeting the proceeds of crime for confiscation.
- > Maintain close partnership with the Queensland Police Service and cooperative and collaborative arrangements with other agencies.
- > Undertake high-quality research, intelligence and prevention activities to assist in combating and preventing major crime.



*Major crime investigations come to the CMC mainly through referrals from the Crime Reference Committee. Membership of the committee as at June 2004 (clockwise from top left): John Callanan, Assistant Commissioner, Crime (CMC) and chairperson of the committee; Bob Atkinson, Commissioner (QPS); Terry Houguet-Pincham, community representative; Barry Salmon, Acting Commissioner for Children and Young People; Brendan Butler, Chairperson (CMC); Judith Bell, community representative.*



In 2003–04 the CMC finalised 34 investigations: 17 into criminal paedophilia, 10 into organised crime, and 7 into serious crime. As a result of all investigations, 78 people were charged with 402 offences:

organised crime:	31 offenders	80 charges
paedophilia:	28 offenders	288 charges
serious crime:	19 offenders	34 charges

Charges included murder, money laundering, using the Internet to procure a child under 16 to engage in a sexual act, trafficking in a dangerous drug, and other serious child sex abuse, weapons and drug-related offences.

A total of 87 days of investigative hearings were conducted, with 82 witnesses called to give evidence. These hearings, conducted in Cairns,

Brisbane, Southport and Rockhampton, related to 11 operations: eight cases of serious crime and three cases of organised crime.

## Organised crime

During 2003–04 the CMC conducted 15 organised crime operations, in close partnership with the QPS and other law enforcement agencies. Four new operations were begun, 11 were carried over from the previous year, and 10 of those 11 were finalised.

Investigative hearings were held over a total of 34 days in relation to three organised crime investigations. These investigations related to people alleged to have been heavily involved in the production and trafficking of amphetamines,

Table 1. Performance 2003–04

Indicator	Performance	
	Target	Actual
Crime operations undertaken	15	24 <sup>1</sup>
Intelligence projects	10	16
Research and prevention projects	5	5
Intelligence disseminations	350	391
Joint agency investigations	12	24
Criminal proceeds restraining orders obtained	15	34 <sup>2</sup>
Criminal proceeds forfeiture orders and proceeds assessment orders made	10	— <sup>3</sup>
Timeliness of response to requests from the QPS for assistance	90%	100%
Time taken to assess criminal-proceeds-confiscation referrals	80%	81%
Tactical-crime investigations finalised resulting in charges, restraints or forfeitures	95%	95%
Stakeholder satisfaction with the effectiveness of joint agency arrangements	90%	100%
Reviewed research and intelligence publications that met defined quality standards (external expert reviews)	100%	100%
Net value of criminal proceeds restrained (\$'000)	\$8 000	\$10 547
Net value of criminal proceeds forfeited or subject to proceeds assessment orders (\$'000)	\$4 000	\$768 <sup>4</sup>
Cost for 'Combating major crime' output	\$9.817m	\$9.853m

- 1 Through the use of innovative and integrated technology, the number of operations was higher than expected.
- 2 A higher than expected number of restraining orders were obtained as a result of conversions of matters from the earlier criminal proceeds scheme under the *Crimes (Confiscation) Act 1989*, which has resulted in a higher than estimated net value of assets being restrained.
- 3 No final orders were made by the courts as a result of the protracted nature of litigation under the new legislation. It is expected that more timely outcomes will be achieved as legal precedents are established.
- 4 As a result of the unexpectedly protracted nature of litigation under the new legislation, a smaller than expected proportion of restrained proceeds progressed to forfeiture within this reporting period. The figure consists wholly of negotiated settlements.

supplying precursor chemicals, money laundering, large-scale theft and 'rebirthing' of motor vehicles (in particular prime movers, trailers and motorcycles), and other criminal activities.

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 organised crime operations accords with the CMC's assessment that amphetamine-like substances constitute the highest-ranking illegal commodity in Queensland.

The majority of 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 come to the CMC under specific referrals from the Crime Reference Committee. In addition, the CMC has a referral in relation to terrorist activity, which places it in a position to respond rapidly to investigative requirements connected with suspected or actual organised terrorist activity. *See Table 3 (next page) for details of the CMC's use of powers for organised crime investigations in 2003–04.*

**Table 2. Referrals in 2003–04**

Referral	Date	Status	Type	Description
Abina	Feb. 2003	Completed	Serious crime	Suspected murder
Alaska	Apr. 2002	Completed	Paedophilia	Suspected extrafamilial paedophile in South-East Queensland
Alpha Cobra	Sep. 2003	Current	Serious crime	Murder
Alpha Grapple	Feb. 2003	Current	Serious crime	Suspected arson
Artemis	Jul. 2003	Current	Paedophilia	An umbrella reference relating to networked or non-networked extrafamilial offenders who offend against multiple victims
Atrax	Jan. 2002	Current	Paedophilia	An umbrella reference relating to Internet-based child sex offending
Bravo Beanie	Feb. 2004	Current	Serious crime	Grievous bodily harm
Bravo Flamingo	Feb. 2004	Current	Criminal	Extrafamilial networked offenders who offended against multiple victims before 1990
Bravo Laurel	Feb. 2004	Current	Serious crime	Murder
Bravo System	Jun. 2003	Completed	Serious crime	Perjury
Bravo Freda	Aug. 2003	Current	Serious crime	Suspected double murder
Caviar	Nov. 2002	Completed	Serious crime	Suspected double murder
Counter-terrorism	Dec. 2002	Current	Organised crime	Terrorist activities
Denver	Mar. 2002	Completed	Serious crime	Suspected murder
Freshnet	Aug. 1998	Current	Organised crime	An umbrella reference relating to established criminal networks
Gatekeeper	Apr. 2000	Current	Organised crime	An umbrella reference relating to money laundering
Hope	Jun. 2003	Completed	Serious crime	Suspected unlawful killing
Ink	Oct. 2003	Current	Serious crime	Murder
Jarvis	Feb. 2002	Completed	Serious crime	Suspected murder
Napier	Sep. 2002	Current	Serious crime	Suspected murder
St George	Feb. 2003	Completed	Serious crime	Riot
Tiber	Nov. 1998	Current	Serious crime	Murder
Verona	Apr. 2002	Completed	Paedophilia	Suspected extrafamilial paedophile activity in North Queensland



During the year, three joint CMC, QPS and ACC operations – Operations Ellis, Cube and Harvard – resulted in considerable disruption to the illicit amphetamine market in Queensland; and well-established drug networks with interstate connections were dismantled. Details of Ellis, Harvard and Cube are given below:

### Operations Ellis and Harvard

The protracted joint covert investigations in which overt activity (including arrests, searches, seizures and asset restraints) occurred in 2002–03 were continued in 2003–04. These investigations, codenamed Operations Ellis and Harvard, resulted in charges including amphetamine production and trafficking, unlawful possession of motor vehicles, fraud and weapons offences.

Significant resources were devoted to preparing briefs of evidence for criminal prosecutions of a total of 21 people on 104 charges. Further investigative hearings were held to strengthen prosecution cases against people charged, to identify other people and other offences involved in the criminal activity of the two organised crime networks, and to gather evidence of money laundering associated with the criminal activity. Financial investigations were continued and notices to produce were issued to expedite the investigations.

Civil confiscation proceedings commenced in 2002–03 were pursued and in July 2004 a principal target in one of the investigations forfeited a total of \$377 262.08 to the state.

Aspects of the investigative hearings conducted for the purposes of these operations highlight the compulsory nature of the process. Three people have been proceeded against for contempt of the presiding officer at hearings because of their refusal to answer questions.

**Table 3. Use of CMC powers for organised crime investigations 2002–03 and 2003–04**

Description	2002–03	2003–04
Hearing days	33	34
Notices to attend	55 issued 47 served	26 issued 23 served
Witnesses legally represented	–	13
Witnesses who applied to the Attorney-General for financial help	1	3
Witnesses giving evidence	44	24

Two were imprisoned by judges of the Supreme Court until further order; as a result they are liable to remain imprisoned until they give evidence before the Commission or the court makes some other order.

Statistics in relation to the overall results in Operations Ellis and Harvard are given below.

#### Ellis (August 2002–June 2004)

Arrests:	6
Charges laid:	21
Drug seizures:	500 g methamphetamine
Assets restrained:	\$1.262m
Notices to produce:	48
Hearing days:	25
Witnesses:	17

#### Harvard (commenced March 2003)

Arrests:	15
Charges laid:	83
Drug seizures:	2.8 kg cannabis 0.4 kg methamphetamine 18 ecstasy tablets 59 g cocaine
Assets restrained:	\$807 341
Notices to produce:	21
Hearing days:	8
Witnesses:	6

### '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.*

The effectiveness of Operation Harvard as a multidisciplinary joint-agency investigation was recognised by the Australasian Branch of the International Association of Auto Theft Investigators, which presented its Investigation of the Year award to officers involved in the investigation.

### Operation Cube

(June 2003–June 2004)

This investigation centred on the activity of a suspected criminal network identified through the CMC's strategic intelligence processes. The network was considered to be active in North Queensland and likely to be engaged in drugs and weapons offences, property theft and associated money laundering. A covert tactical operation extending over five months was undertaken in partnership with the QPS Northern Region and the ACC. Evidence and intelligence were gathered using covert physical surveillance and telephone interception capabilities made available through the involvement of the ACC. Operational exigencies led to the closure of the investigation with a series of raids on residential and business properties.

Statistics in relation to the overall results in Operation Cube are given below.

Arrests:	3
Charges laid:	7
Drug seizures:	steroids
Property seized:	weapons
Notices to produce:	2

### New operations

Four new organised crime investigations were commenced in 2003–04 and remained current at the end of the reporting period. Three of these are being conducted jointly with other agencies. Because of their nature and the methodologies employed, details of these operations cannot be disclosed. The other investigation — being undertaken by the CMC on its own — had tangible results, with the execution of search warrants and the arrests of four people on nine charges of money laundering and related offences (in August 2004). Further charges against other people are expected to follow.



Four CMC staff members were among those who received the Australasian Vehicle Theft Investigation of the Year award from the International Association of Auto Theft Investigators. They were (left to right, starting third from left): Assistant Intelligence Analyst Robert Halvorsen, Detective Sergeant Tony Morgan, Senior Financial Investigator David Ross and Detective Senior Sergeant Mitch Castles.

## Paedophilia

During the reporting period, the CMC was actively involved in 15 paedophilia investigations.

In Queensland the police take primary responsibility for investigating complaints of sexual offending against children within families. The CMC's focus is on serial or networked sexual offending that takes place outside the family, and on Internet-based offending. In the fight against paedophilia the CMC works in close liaison with the QPS's Taskforce Argos.

The CMC has been successful in investigating specific child sex offenders with networked connections to other offenders in Queensland and beyond. *For details see Report Card on fighting criminal paedophilia on pages 25–26.*

In addition to this work, the CMC has developed innovative methods to identify paedophiles using the Internet to prey on children.

CMC police officers, through approved controlled operations, pose as children on the Internet in order to obtain evidence against men intending to procure a child to engage in a sexual act or expose a child to indecent matter. This way, the offenders can be identified and charged before any actual child is contacted and harmed.

The effectiveness of the CMC's methods and the new provisions is highlighted by the recent achievements in this area. In 2003–04, as a result of CMC Internet investigations, 15 people were charged with a total of 127 offences.

Three people identified by CMC investigations have now been sentenced under the new legislation, all receiving custodial sentences.

The CMC has pioneered computer software that enables it to identify the geographic location of predatory paedophiles contacted on the Internet. This methodology has been provided to the QPS and the South Australia Police, and has been brought to the attention of the Australian High Tech Crime Centre. The CMC continues to work in close partnership with the QPS and other law enforcement agencies to confront the scourge of paedophilia.

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*See Report Card on pages 25–26 for details of particular paedophilia operations conducted during this reporting period.*

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In 2003–04 the CMC did not conduct any hearings in support of its paedophilia investigations.

## 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. When this occurs, the Crime Reference Committee (CRC), 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 that the CMC investigates as serious crime involve those that carry a penalty of 14 years or more (such as murder and arson). Through using its powers to gather evidence, the CMC adds value to police investigations.

These investigations depend as much on multidisciplinary and partnership approaches as do the CMC's organised crime and paedophilia investigations.

During the reporting period, investigative hearings were held over a total of 53 days in relation to eight serious crime investigations involving three murders, a suspected murder, a double murder, perjury, arson and grievous bodily harm.

*For details of the CMC's use of powers for serious crime investigations in 2003–04, see Table 4.*

Due to the continuation of several operations, the statistical information that can be provided is limited.

In this reporting period the CMC was referred five serious crime investigation applications by the CRC and continued 10. Seven of the earlier investigations were finalised. Three of these investigations are described here.

## Operation Bravo System

(June 2003 to August 2003)

This matter related to the 1998 disappearance and recent discovery of a young woman in Rockhampton and, more particularly, the provision of a statement in 2001 by a man who claimed he had not seen the young woman since August 1998. This statement was later tendered into evidence at the committal proceedings against another man who had been charged with murdering the woman.

**Table 4. Use of CMC powers for serious crime investigations 2002–03 and 2003–04**

Description	2002–03	2003–04
Hearing days	54	53
Notices to attend	113 issued 94 served	66 issued 60 served
Witnesses legally represented	21	19
Witnesses who applied to the Attorney-General for financial help	3	2
Witnesses giving evidence	83	58

**Table 5. Notices to produce 2002–03 and 2003–04**

Description	2002–03	2003–04
Organised crime	157	106
Paedophilia	2	1
Serious crime	8	1
Civil confiscation	18	52

**Table 6. Notice recipients 2002–03 and 2003–04**

Description	2002–03	2003–04
Banks and financial institutions	160	144
Other businesses	7	7
Solicitors	8	2
Accountants	5	2
Casinos	2	3
Notice to a unit of public administration	3	2

Hearings were conducted in Rockhampton over a four-day period in July 2003, with 10 witnesses being called to provide evidence. The purpose of the hearings was to elicit admissible evidence that, at the time of providing his statement in 2001, the young man knew that the young woman was alive. The hearings program proved successful in gaining evidence that enabled a perjury charge to be laid against the young man.

Arrests:	2
Charges laid:	3
Hearing days:	4
Witnesses:	10

## Operation Bravo Beanie

This investigation related to an assault on a man at a Bundaberg nightclub on 26 January 2003 and a further assault at the same Bundaberg nightclub on 1 November 2003. In each case the victim suffered severe injuries.

Ten witnesses attended hearings conducted in Brisbane during April and May 2004. As a result of information obtained during these hearings, further statements were obtained by the QPS from three more witnesses. Two of those witnesses were not previously known to police and were identified during the hearings. The third witness agreed to provide a further statement after attending hearings.

As a result of these hearings, relevant information came to light to enable police investigations to continue.

Notices to produce	1
Hearing days:	11
Witnesses:	10

## Operation Bravo Freda

(commenced August 2003)

This operation was an investigation into the suspected murder of a father and son at sea near the mouth of the Mitchell River in the Gulf of Carpentaria in June 2003. In all, 10 witnesses were called to hearings held in Cairns in September 2003, March and April 2004 and in Brisbane in December 2003.

After the December hearings, a mother and son were charged by police with the murders.

Arrests:	2
Charges laid:	5
Hearing days:	13
Witnesses:	13

## Undermining the financial basis of crime

The CMC's objective is not merely to identify and gather evidence against key members of organised criminal networks, but also to financially incapacitate the networks themselves. The aim is to reduce the viability of, and business confidence in, the crime marketplace.

This financial year marked the first full year of the operation of the *Criminal Proceeds Confiscation Act 2002*, which commenced on 1 January 2003. The Act makes it easier to seize criminal assets, because it is no longer necessary for there to be an actual or imminent criminal charge or conviction.

Under the Act, the CMC has responsibility for its administration, while the DPP has carriage of legal proceedings. Property may now be restrained if it belongs to someone who has engaged in serious criminal activity in the last six years, or if it was derived from serious criminal activity, even though the particular person suspected of having engaged in the activity cannot be identified. Restrained property can then be forfeited if the person cannot prove that it was lawfully acquired.

Cooperative arrangements between the CMC and the QPS allow the QPS to refer civil confiscation matters to the CMC.

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 that has been 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.

Between 1 January 2003 and 30 June 2004, \$17.677m in assets have been restrained as a result of civil confiscation. In 2003–04, the CMC obtained 34 restraining orders to restrain assets valued at approximately \$10.547m, thereby exceeding the target for the year. These 34 restraining orders either arose from investigations carried out by the CMC or were the result of matters referred to the CMC by the QPS and other law enforcement agencies operating within Queensland, including Commonwealth agencies. Two matters were finalised, resulting in \$0.768m being forfeited to the state. (In July 2004 a third matter was finalised, bringing the total assets forfeited to the state to over \$1m.)

As is quite commonplace with new legislation, aspects of the legislation have been challenged through the courts. In June 2003, the Queensland Court of Appeal declared invalid on constitutional grounds section 30 of the Act, which required the court to hear applications for restraining orders without giving notice to the owner of the property. As a result, certain restraining orders obtained by the CMC were set aside. The court may now decide whether to hear the applications without giving notice or, alternatively, to insist that notice be given. The CMC has since brought new applications for restraining orders under these amended conditions.

Other proceeds-of-crime matters currently being litigated are taking longer than expected to go through the courts. Among the factors contributing to delay are unfamiliarity with the legislation among lawyers and courts, and the need for issues of interpretation to be resolved in the course of litigation. The situation is

**Table 7. Other powers used 2002–03 and 2003–04**

Description	2002–03	2003–04
<b>CM Act</b>		
Search warrants	–	–
Surveillance warrants	–	16
Covert search warrants	6	2
<b>PPR Act</b>		
Search warrants (overt)	21	3
Search warrants (covert)	–	–
Surveillance warrants	–	–



expected to improve over time. However, this improvement could take as long as three years after the introduction of the legislation, judging by the experience of the New South Wales Crime Commission.

## Fostering partnerships

In 2003–04 the CMC commenced 24 joint investigations with the QPS and other law enforcement agencies — almost double the target number. The increase was due to a larger number of criminal paedophilia operations than had been anticipated.

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*Through partnership, police gain access to the CMC's special powers, while the CMC gains access to the investigative skills and resources of police.*

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## Partnership with the QPS

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, the CMC Chairperson may make arrangements with the Police Commissioner to establish police taskforces to help the CMC carry out crime investigations. The 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.

The CMC's intelligence function works 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 will continue to encourage the establishment of joint operations involving CMC and QPS staff.

## QPS–CMC committees

The strategic direction of joint operations between the CMC and the QPS is facilitated and overseen by the Joint Executive Team (JET), which comprises:

- > Assistant Commissioner, Crime, CMC
- > Director, Crime Operations, CMC
- > Assistant Commissioner, State Crime Operations Command, QPS
- > Detective Chief Superintendent, State Crime Operations Command, QPS.

It meets every three weeks to:

- > oversee 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.

## Cooperation with other agencies

As well as working in close partnership with the QPS, the CMC works cooperatively with police services in other states, the Australian Crime Commission (ACC), the Australian Federal Police (AFP), the Australian Customs Service (ACS), 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, the CMC often seeks to involve national law enforcement agencies that have the capacity, under Commonwealth legislation, to intercept telecommunications between suspected crime syndicate members. This capacity is crucial to the effectiveness of organised crime investigations. Indeed, the successes achieved recently by the CMC (see *Operations Ellis, Harvard and Cube on pages 14–15*) are largely attributable to the availability of that capacity through the involvement of national agencies, especially the ACC.

CMC crime-related research, too, frequently involves collaborative arrangements with other agencies.

## Combating crime through research, intelligence and prevention

### Crime prevention research

The CMC is conscious of its crime-prevention function, and hence endeavours to adopt preventive strategies in addition to making arrests. Through its Research and Prevention function, the CMC carries out research into crime prevention. Details of projects completed during this reporting period, or pending completion at 30 June 2004, are given below.

## Recidivism among young offenders

In July 2003 the CMC released a research paper entitled *Youth justice: criminal trajectories on recidivism among young offenders*. (The paper was simultaneously released by the Australian Institute of Criminology as part of its 'Trends and Issues' series.) This paper, based on data from the Queensland Department of Families, the QPS, and the Queensland Department of Corrective Services, examines the extent to which juveniles who were 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.

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.

## Amphetamine use

In January 2004, in collaboration with Queensland Health, the CMC published *Patterns of amphetamine use: initial findings from the Amphetamines in Queensland research project*. The publication was widely distributed to health and law enforcement agencies across Australia, attracting significant media coverage, particularly radio, and a segment on the *Stateline* television program.



Further analyses and discussion papers based on the results of the project are planned for future release. The information collected and progressively released by the project will inform policies aimed at reducing the harms associated with amphetamine use, and will help service providers deal with problematic use more effectively.



## Illicit drugs

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 a hospital emergency department. This research, conducted at a Gold Coast hospital, will establish baseline levels of illicit drug use, explore relationships between recent illicit drug use and negative consequences such as car accidents and crime, and provide important comparative information with other drug-use surveys. The report of the survey is due for release later in 2004.

## Drug Use Monitoring in Australia

The CMC maintains an ongoing research project drawing upon the DUMA (Drug Use Monitoring in Australia) data, which is administered by the Australian Institute of Criminology. These data involve quarterly interviews and urinalyses from detainees in police watch-houses. 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. A report detailing the results of the Queensland operation of the DUMA project is due for release later in 2004. The report comprehensively maps detainee profiles, urinalysis results for six drug categories (cannabis, opiates, methadone, cocaine, amphetamine and benzodiazepines) and self-report drug-use data for eight drug categories (amphetamine, cannabis, cocaine, heroin, ecstasy, hallucinogen, street methadone and benzodiazepines) for certain periods.

## Sexual abuse prevention programs

In June 2004 a CMC research paper highlighted weaknesses in some sexual abuse prevention programs which could make children more vulnerable to paedophiles. The paper, *Child-focused sexual abuse prevention programs: how effective are they in preventing child abuse?*, evaluates recent national and international

studies to assess how effective current programs are in preventing child abuse. Such information will be helpful to anyone with an interest in preventing child sexual abuse.

## Identifying mechanisms for preventing child sexual abuse

The CMC, in cooperation with public sector agencies, has been developing an evidence-based research project designed to identify effective mechanisms for preventing child sexual abuse, particularly in Indigenous communities, and improving the formal criminal justice system and related institutional responses and safeguards for the victims of such abuse. The project is to be implemented in 2004–05.

## Effective sex-offender treatment programs

The CMC is examining evaluations of sex-offender treatment programs within Australia and internationally. This examination will make it possible to give an overview of the evidence to date regarding what makes a successful program.

## Exposure to violence

Later in the year the CMC will report on a detailed examination of how exposure to violence can lead to sexual offending. The project examines violence throughout life, and the nature, extent and consequences of sexual victimisation during childhood for offenders serving non-custodial sentences in Queensland.

Information has been collected through face-to-face interviews with 480 male and female offenders. The interviews have elicited 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 has also been explored. Additional demographic and criminal history information has been obtained from Department of Corrective Services records.

## Website portal

The CMC continued to provide resources on its website for victims and survivors of sexual abuse, including links to a variety of websites and publications that provide information about child sexual abuse and aim to prevent it. In the first six months of 2004, over 16 000 hits were registered on the Sexual Abuse Prevention and Information site.

This 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.

## Additional activity in support of protecting children

The CMC gives educational presentations to community groups, schools and other bodies connected with the education of children. It also provides training to school-based policing officers, their supervisors and members of Education Queensland at the department's annual conference. This training has enabled the school-based officers to return to their respective schools around the state to provide information sessions on Internet safety and criminal paedophilia.

The CMC also contributes 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. A program is being developed that will pinpoint at-risk children in chat rooms who may be unwittingly communicating with suspected paedophiles. With this information, investigators will make contact with the parents of the children concerned to inform them of the dangers to which their children are exposed. Information will be provided to parents on how to better safeguard their children from the predatory behaviour of suspected paedophiles.

## Intelligence activities

The CMC's intelligence work helps it decide what crimes pose the most serious threat to the people of Queensland. The CMC carries out its intelligence functions by including tactical intelligence officers within its multidisciplinary investigative teams and by maintaining an independent and centralised Strategic Intelligence Unit (SIU). By proactively monitoring crime markets within Queensland, intelligence officers within the SIU are able to assess the risks posed by criminal activities and associated criminal networks. In response to the more serious threats, targets are identified for investigation by the CMC's multidisciplinary teams.

In 2003-04 three organised crime matters and two misconduct matters were referred as suitable targets for further investigation. Of the organised crime matters, two became full CMC investigations while the other one was referred to the AFP, the QPS and the CMC's Proceeds of Crime team, where further action was taken. The subject has agreed to forfeit assets to the state.

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 2003-04, a total of 467 intelligence reports were collated to IRAS. Arising from these reports, 391 disseminations were made to partner agencies. Of these, 301 were via electronic transfer to ACID (Australian Criminal Intelligence Database) for sharing with other law enforcement agency personnel who use the database. The remaining disseminations were directed to particular departments and agencies for further attention. These reports covered issues such as organised crime and drug networks, paedophile matters, money laundering, property crime and misconduct.

The CMC's intelligence disseminations are well received and frequently result in successful enforcement action.

The other important way in which the CMC disseminates its intelligence findings is through publication of crime bulletins and intelligence digests. The most recent crime bulletin in the previous reporting period (June 2003) was on amphetamine, which was identified as Queensland's number one drug threat. The two most recent intelligence digests have concerned illegal firearms in Queensland (November 2003) and organised crime on the Gold Coast (March 2004). The digest on illegal firearms provided a significant contribution to the ACC's review of illegal firearms within Australia.

In addition to the bulletins and digests, the CMC's Strategic Intelligence Unit (SIU) also produces substantial strategic intelligence assessments on specific issues where there is a potential for the issue to affect law enforcement in Queensland. The CMC researches and analyses past and current developments, and assesses both current and future threats, or risk levels, posed by the issues. 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 SIU, which was established as a multidisciplinary unit, drawing on expertise in strategic intelligence, research and financial investigation.

During this reporting period, the SIU produced a strategic assessment of organised crime markets on the Gold Coast and began preparation of a major report examining organised crime generally in Queensland. The latter, which is due for release early in the next financial year, uses intelligence from a multiplicity of sources to:

- > describe the current nature and extent of organised crime in Queensland
- > identify key issues
- > assess the level of threat posed to the Queensland community
- > analyse trends
- > recommend strategies for the ongoing monitoring and analysis of organised crime and of investigative and preventive responses.

## Identifying victims and perpetrators

The CMC is also engaged in a project to assess methods that it may usefully employ, either alone or in collaboration with other agencies and departments, to identify both the victims of paedophilia and the perpetrators of such crimes. Staff have visited communities across Queensland and established productive relationships with a number of community representatives. Dialogue has also been established with academics, health professionals and government agencies with expertise or official responsibilities in this area. This ongoing dialogue is providing valuable insights into the issue and helping to identify strategies to counter the threat to children.

## Human sources training

An important investigatory and intelligence tool — particularly in the fight against organised crime, but also in detecting misconduct — is the use of individuals who are in a position to provide confidential information. Often referred to as 'informants', such individuals or 'human sources' have the potential to provide timely and accurate information that is not available from other sources.

Identifying, recruiting and handling such sources is not, however, without considerable difficulties and risk, both to the individuals and to the officers involved. Because of this, the CMC has developed a comprehensive policy and related procedures covering this strategy, as well as dedicated training for its officers.

The SIU, in collaboration with the ACC, delivers a highly successful Human Source Operations (HSO) course, which provides participants with an awareness of the knowledge and skills required to manage human sources effectively. Feedback from participants and instructors has been extremely favourable. A number of external law enforcement agencies, including the QPS, have recently indicated interest in participating in this training. At least two courses are planned for 2004–05. Such training is a key factor in building the capacity of law enforcement agencies to combat and prevent major crime.

## Combating major crime OUTLOOK 2004–05

- > Continue to dismantle or disrupt organised crime networks operating in Queensland.
- > Proactively identify and investigate networked extrafamilial child sex offenders, or extrafamilial child sex offenders who offend against multiple victims, and offenders who use the Internet to aid in the commission of child sex offences.
- > Obtain approximately 20 restraining orders. These orders may result in the restraint of assets valued at approximately \$8m. It is also expected that litigation by the CMC will result in the finalisation of 12 matters and the transfer to the state of assets valued at approximately \$4m.
- > The Strategic Intelligence Unit will produce a minimum of three assessments:
  - the cocaine market in Queensland
  - organised crime markets in Queensland
  - property crime in Queensland.
- > In cooperation with other government departments, undertake an evidence-based research project to identify effective mechanisms for preventing child sexual abuse.
- > Complete a review of new powers provided to the QPS to combat the ever-increasing problem of chomping and the use of 'move-on powers' applied to the issue of public nuisance.
- > Deliver two Human Source Operations courses.

## Fighting criminal paedophilia

### ✓ Fifteen more arrests made by Operation Atrax → Ongoing

Operation Atrax began in January 2000 with the goal of identifying and prosecuting offenders who use the Internet to commit sex offences against children. Although focused on Queensland-based offenders, the operation has the capacity to target Internet predators in any geographic area.

For example, as a result of covert Internet activity conducted by the CMC over a short period, three offenders were identified in Townsville, all of whom were committing numerous offences under the new provisions of the Queensland Criminal Code relating to Internet paedophilia.

Warrants were executed on the residence of these offenders in April 2004, with computer equipment belonging to them seized. CMC forensic computing staff analysed the computers on site and, as a result, further charges were laid relating to the *Classification of Computer Games and Images Act 1995*.

Some of the Atrax investigations have resulted in the discovery of past paedophile activity. In one case, CMC investigators, posing as a 13-year-old girl, engaged online with a man who sought to persuade the 'girl' to meet him for sex. A meeting was arranged and the man was arrested on his arrival. The subsequent examination of his computer disclosed previous similar chat sessions with young girls. These girls were identified and the investigation disclosed that the offender had met these girls and had committed sexual offences in relation to them. The man was recently sentenced to a total of three years' imprisonment, to be suspended after 12 months.

<b>Persons arrested (2003–04):</b>	<b>15</b>
<b>Charges laid:</b>	<b>127</b>

### ✓ Network of 12 paedophiles exposed by Operation Xena → July 2003 to November 2003

In early 2003 the CMC was approached by QPS Task Force Argos and its assistance sought to identify the nature and extent of a suspected paedophile network. Two men had been arrested by the QPS and New South Wales Police in 2002 for a range of child sex offences allegedly committed in both states. A preliminary examination of a computer belonging to one of the men indicated that he was in communication with at least 11 other people, exchanging experiences of child sex offending and associated images. The identities of some of these other people, who were referred to by their online personas, were unknown.

The data seized by the police were voluminous, consisting of over 2200 pages of chat logs from the Internet chat medium ICQ and in excess of 5000 image files and 21 video files.

The CMC's intelligence analysts were requested to analyse these data to seek to identify the other members of the network, and to identify further offences committed by the primary target or to find material that might corroborate the existing charges against the target. Over 450 hours were devoted by CMC analysts to this task.

The intelligence analysis indicated that the network comprised at least 12 paedophiles, located in Australia, New Zealand and the United States. Three Queensland-based members of the network were arrested, one of whom was sentenced in the Brisbane District Court in September 2004 to 7 years' imprisonment. At least 10 children were identified as actual or potential victims of the network, some of whom were 'shared' with other members.

*(continued next page)*

# CMC REPORT CARD 2003-04

## Fighting criminal paedophilia

In the course of the analysis, extensive liaison occurred between the CMC, the QPS and interstate police, as a result of which several Australian members of the network and additional child victims were able to be identified. The CMC disseminated all material discovered, relating to each member of the network, to local law enforcement authorities in Australia and overseas. As a direct result of the CMC's work, three men living in Victoria were identified and charged with a range of serious sex offences, including incest and

penetration of a minor. In addition, care and protection applications were made for six children.

Apart from the above outcomes, the investigation yielded valuable information about the modus operandi of Internet paedophile networks, including information as to 'victim sharing' methodologies, and techniques for concealing their activities from law enforcement scrutiny.

**Persons arrested:** 6  
**Charges laid:** 239

### ☑ International network of paedophiles exposed by Operation Verona

#### → April 2002 to March 2004

An investigation that was commenced in 2002-03 continued to yield significant outcomes in 2003-04.

As a result of information received by the CMC, a Townsville man's computer was seized in June 2002 and numerous pornographic images of children were located, later resulting in the man serving four months' imprisonment. A second computer was seized from the man's home in December 2002.

Because the man's former employment with a Commonwealth agency had involved significant involvement with vulnerable families, the CMC undertook an extensive investigation in which members of over 70 families in North Queensland were interviewed. Inquiries were also made of other families with whom the man had contact in his local community.

Although no new disclosures arose from these inquiries, forensic analysis of chat logs located on both computers disclosed admissions by the target of his sexual assault of two young boys. These matters had previously been the subject of complaints to the police, but had not been taken to trial due to insufficient evidence. Based on this new evidence, the target was again charged with these matters.

In November 2003 the man was sentenced in relation to one of these matters to nine months' imprisonment, to be suspended after three months. He was required to report any change in his address for five years after his release from prison. In March 2004 the man was sentenced to a further three months' imprisonment, suspended after one month, in relation to the second matter.

The forensic analysis of the target's computers also revealed that he was part of an international network of 13 alleged paedophiles, located in Australia, the United Kingdom, Ireland and the United States. It was also discovered that one member of this group visited Australia and briefly stayed in the man's Townsville home while he was in prison, before returning to Ireland. The CMC disseminated information obtained during its investigation to relevant law enforcement authorities in the several countries concerned, resulting in further serious charges being brought against some of these men. In one case involving a man in the United States, the information provided by the CMC resulted in the man being prosecuted for offences including child rape. He was recently convicted of these charges and is currently awaiting sentence.

**Persons arrested:** 7  
**Charges laid:** 125



# IMPROVING PUBLIC SECTOR INTEGRITY

The CMC helps reduce 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 promote integrity. Its ultimate goal is to achieve an integrated system where a commitment to integrity is shared by all.

This section of the report details the CMC's achievements for the year in the areas of handling complaints, conducting investigations and building capacity to prevent and deal with misconduct.

## Handling complaints

The *Crime and Misconduct Act 2001* charges the CMC with the responsibility of ensuring that complaints of official misconduct against officers in the Queensland public sector (see *definition of official misconduct*, page 7) 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.

This means that, if the CMC exercises its power to deal with a particular case of misconduct itself, it must first consider:

- > the capacity of the resources of the relevant agency to deal with the matter
- > whether the matter is particularly serious, or there is reason to believe that the misconduct is prevalent or systemic within an agency
- > whether there would be an increase in public confidence if the matter was dealt with directly by the CMC.

## Strategies

- > Ensure an effective and timely complaints-handling process (including assessment).
- > Implement effective monitoring functions to oversee the management of misconduct in public sector agencies.
- > Initiate and conduct timely and effective multidisciplinary misconduct investigations.
- > Undertake high-quality research, intelligence and prevention activities to help promote integrity and prevent misconduct.
- > Pursue collaborative opportunities to work with other agencies to maximise capacity-building outcomes.

The CMC's misconduct jurisdiction covers all state government departments, local governments, the QPS, most statutory bodies, and members of state parliament.

Complaints may come to the CMC from any source, but CEOs of public sector agencies, including the QPS, are obliged by law to refer suspected cases of official misconduct to the CMC. In the case of the QPS, it is also obliged to refer suspected cases of police misconduct.

Once a complaint has been received, 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. In 2003–04, for example, 25.6 per cent of complaints received did not require any further action.

If a complaint warrants action, it may be:

- > referred to the relevant agency to deal with, and/or
- > referred to the QPS, or
- > investigated by the CMC, either solely or in conjunction with another agency.

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



The CMC monitors how agencies deal with complaints referred to them by reviewing and auditing 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.

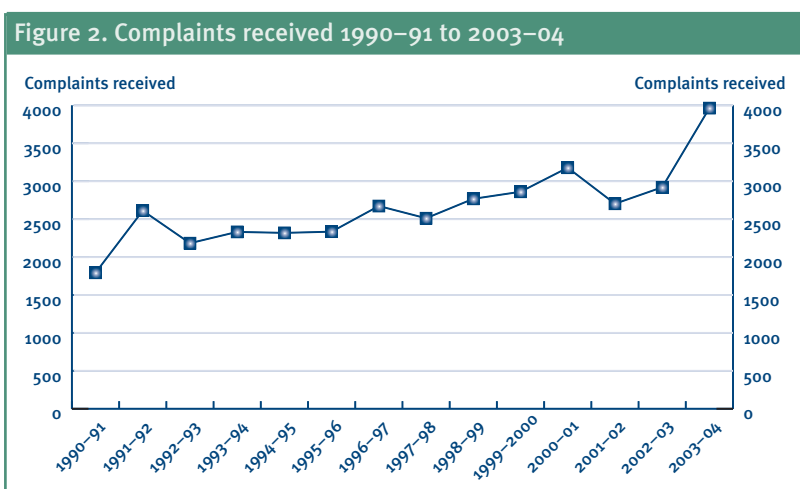
## Receipt and assessment

For detailed statistics on complaints, see Figures 2–7.

From 1 July 2003 to 30 June 2004, the CMC received 3964 complaints (compared with 2920 received in 2002–03), representing a 36 per cent increase on the previous year and a 26 per cent increase on the previous highest year of operation (taking into account the former CJC).

This substantial increase may be partly due to successful capacity-building activities that have brought about a better understanding among CEOs of their obligation to report suspected official misconduct to the CMC. The increase may also be due to high-profile matters raising public awareness of the CMC (*such as the Inquiry into Abuse of Children in Foster Care in Queensland: see pages 38–39*).

The complaints received in 2003–04 contained 9559 separate allegations (compared with 6485 last year). (Any one complaint can contain several allegations.) The three major subject areas – police, public service and local authorities – accounted for 96 per cent of those allegations, with police accounting for 55 per cent.



**Table 8. Performance 2003–04**

Indicator	Performance	
	Target	Actual
Assessments	2900	3965
Investigations	120	105
Capacity-building and monitoring projects	10	10
Research, prevention and intelligence projects	20	22
% assessments completed within 4 weeks	85	85
% investigations completed within 12 months	90	84
% audited investigations that meet quality standards	90	100
% of publications that met quality standards (external expert reviews)	100	100
% external agencies assessing prevention services as valuable	75	100
% operations and projects that incorporate planned communication strategies	100	100
Cost for 'Improving public sector integrity' output	\$17.865m	\$17.896m

## Timeliness

The CMC continued to focus on timeliness in all aspects of its work, including the handling of complaints. In 2003–04 this task was made more difficult by the unprecedented and unexpected increase in the number of complaints received (*see previous section*).

Resources were continually deployed during the year to keep to a minimum the time taken to assess, monitor and investigate complaints.

Additional temporary staff were engaged to handle the backlog, and the area launched a review of its services to ensure best practice.

Despite the increase in complaints received, the CMC assessed 63 per cent of matters within one week and 85 per cent within four weeks, which was the target for the year.

## Accessibility of the complaints process

The CMC is committed to making its complaints process as accessible as possible to all Queenslanders. Consequently, it periodically

Figure 3. Assessment outcomes 2003–04

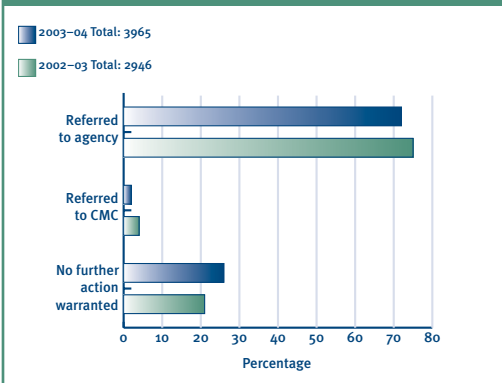


Figure 4. Allegations by agency 2003–04

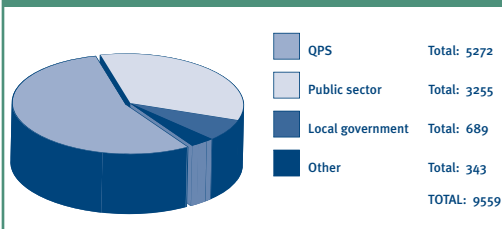


Figure 5. Types of allegations — QPS

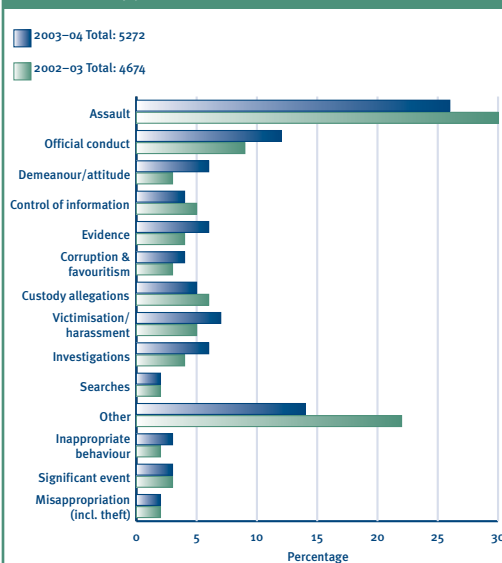


Figure 6. Types of allegations — public sector

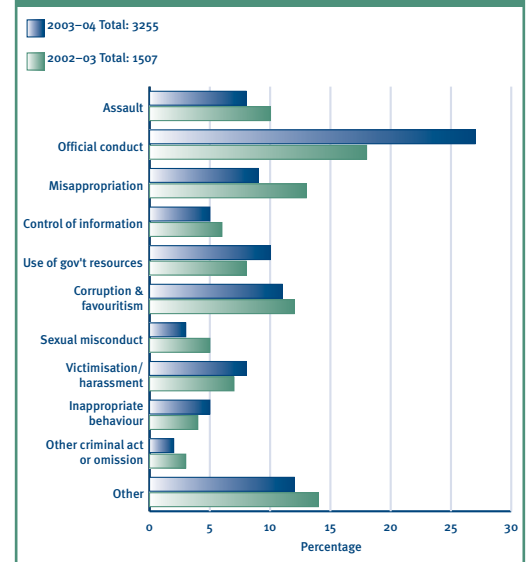
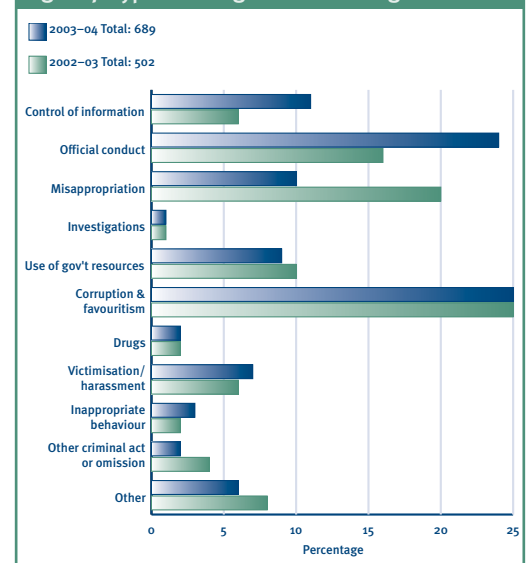


Figure 7. Types of allegations — local government



produces brochures on how to make a complaint, which complement our *Charter of service*. (This information is also available on the CMC website and, on request, in Vietnamese, Arabic, Bosnian, Chinese, Spanish, French, Croatian and Persian.) The *Charter of service* describes the sorts of complaints the CMC is empowered to handle, explains how to make a complaint, and outlines what complainants should expect from the CMC.

The CMC's communications unit continued to participate in 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 in 2003 by Multicultural Affairs Queensland to make the complaints system of each of these agencies more accessible to people from culturally and linguistically diverse backgrounds. For example, the group has recently published a brochure in several community languages explaining, in simple terms, the complaints process of each agency.

## Overseeing how public sector agencies deal with misconduct

Misconduct matters referred to a public sector agency (including the QPS) may be the subject of CMC monitoring either during the complaints-handling process or after completion. In some cases, the agency will be advised that the CMC intends to review the way the matter is dealt with from the outset.

Through the Monitoring and Support Unit (MSU), the CMC this year conducted over 500 reviews and audits. These involved targeted reviews of selected complaints, reviews of files for integrity and audits of files for timeliness. Seventy-one per cent of reviews were completed within four weeks. At the end of June 2004 there were 17 reviews awaiting action (compared with nine at the end of June 2003).

The CMC provides ongoing advice and assistance to public sector agencies in relation to appropriate ways of dealing with complaints

and developing prevention strategies. If agencies reach the stage where they cannot progress an investigation further, they can seek a cooperative investigation with the CMC or ask the CMC to take over the matter completely.

## Monitoring how police handle complaints about police

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 referred to it by the CMC (*see definitions on page 7*). 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 in which 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.

During the year the CMC conducted targeted reviews of 133 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.

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. One periodic review report was furnished to the QPS during the year.

In addition to the targeted reviews, this year the CMC conducted audits of a random sample of 269 QPS complaints files, of which 192 were audited for timeliness and 193 reviewed for the integrity of the manner in which the case was handled.

Arising from reviews, 32 complaints were referred back to the QPS for further action – interviewing other witnesses and obtaining further documentation, for example.

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



## Examples of reviews conducted by the CMC in 2003–04

### Document shredding at Brisbane City Council

In March 2004, in the aftermath of the local government elections, the CMC was told that two BCC employees had on the night of the election entered council premises because they believed that improper document shredding was taking place. Later, the then Lord Mayor elect, Mr Campbell Newman, made a similar complaint to the CMC.

The CMC examined the matter and advised the CEO of the Brisbane City Council that there was no evidence suggesting that the conduct in question could amount to official misconduct, as it could not amount to either

a criminal offence or a disciplinary breach of such a nature as to warrant dismissal. The BCC conducted an investigation into the matter, recommending disciplinary action be taken. The CMC reviewed the investigation and referred the matter back to the BCC to take appropriate action. In the course of the local government elections, a number of allegations of shredding were made. These were referred to the BCC to deal with. An investigation conducted by the BCC did not establish any official misconduct. The CMC also reviewed this investigation and agreed with the conclusion.

### Possible breach of the Whistleblowers Protection Act

In October 2003 the CMC issued a media release stating that Minister for Families Judy Spence did not breach the *Whistleblowers Protection Act 1994* when naming a whistleblower during a statement in parliament. The comments made by her in parliament on 15 October 2003 'did not and could not breach the Whistleblowers Protection Act, given that the Act does not abrogate the privileges and immunities which attach to parliamentary debates'. The CMC pointed out that the issue was a matter for parliament and not one that it could investigate.

### Follow-up to the Volkerts case

In 2003 the CMC published a report on the handling of a case involving well-known swimming coach Scott Volkerts (details of which were reported in the CMC's *Annual Report 2002–03*). It found no official misconduct but was critical of the DPP's handling of the case.

Since then the CMC has examined further information provided by one of the complainants in the Volkerts case, Mrs Julie Gilbert. The information was examined in light of whether it raised a reasonable suspicion of official misconduct on the part of the DPP.

On 28 June 2004, the CMC issued a statement announcing the Commission's determination that Mrs Gilbert's complaint did not raise such a suspicion. This finding does not reflect in any way on the truthfulness of the allegations made against Mr Volkerts or the correctness of the decision not to continue the proceedings against him.

In her complaint, Mrs Gilbert also referred to communication and training issues in relation to the Office of the Director of Public Prosecutions (ODPP). The CMC has already issued recommendations addressing these issues in its comprehensive report, *Seeking justice* (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 sexual offence squads
- > improve supervision and communication practices within the QPS.

In that report the CMC stated that it would review the implementation of the recommendations in two years' time. This is scheduled to occur in mid-2005.

## Conducting effective multidisciplinary 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. The CMC's special powers make it uniquely suited to investigate serious and complex matters. It focuses on major fraud within government agencies, sexual misconduct, police corruption and sensitive political matters. It also handles matters where a CMC investigation will promote public confidence.

## Timeliness

Eighty-four per cent of investigations were completed within 12 months, a little less than the target of 90 per cent. The variation is due to the increased number of complex investigations being undertaken.

At the end of June 2004 there were 54 investigations outstanding, compared with 57 at the end of June 2003. Seven of the

investigations that were incomplete at 30 June 2004 were over 12 months old. These matters are the most complex and extensive of CMC investigations, involving the hearings power, covert strategies or lengthy financial inquiries.

The CMC uses proactive and covert investigative techniques in its ongoing pursuit of corruption and other serious misconduct. Covert techniques include the use of physical and electronic surveillance and search warrants. In addition, the CMC has special coercive powers not available to police, including the power to compel people to attend hearings (*see Table 9 below*).

The CMC's specialised research, intelligence, financial analysis, forensic computing and investigative resources provide an added advantage in furthering the success of its investigations.

## Statistics

*For detailed statistics on investigations, see Figures 8–10.*

In 2003–04 the CMC finalised 105 misconduct investigations, less than the target of 120. The reduction was due to the impact of a number of major investigations, including those associated with the Inquiry into the Abuse of Children in Foster Care in Queensland (*see pages 38–39*).

**Table 9. Use of CMC powers for misconduct investigations 2002–03 and 2003–04**

Exercise of power	Act	No. times exercised	
		2002–03	2003–04
Notices to produce or discover information	CM Act, s. 75	231	224
Applications for surveillance devices	CM Act, s. 121	3	3
Notices to attend	CM Act, s. 82	45	42
Power to enter	CM Act, s. 73	6	6
Search warrants	PPR Act, s. 68/CM Act, s. 86	44	34

Of the finalised investigations, 19 per cent recommended either criminal or disciplinary action. A further 6 per cent recommended managerial action. During the year, a total of 103 charges were laid (see Figures 9 and 10).

A successful conclusion to a CMC investigation may include 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.



## Investigations of significant public interest in 2003–04

See pages 38–39 for details of misconduct investigations related to the Queensland foster care system.

### Hayward investigation

The CMC investigated concerns, raised in the media, that Queensland Member of Parliament Mr Ken Hayward may have acted improperly in relation to various land transactions between government agencies and business entities with which he had links. Additionally, it was alleged that Mr Hayward made speeches in the Queensland Parliament on issues of relevance to the interests of companies with which he was connected, without declaring those interests to the parliament.

The CMC also investigated the circumstances of Mr Hayward's claim for parliamentary travel expenses in relation to a trip to Western Australia in 2000, because concerns were raised that this trip may have been related to private rather than parliamentary business.

In regard to the land sales already completed, the CMC found no evidence of any improper relationship between Mr Hayward and any public servant and no evidence of official misconduct by anyone. In the third transaction, where the contract had been signed but the sale of land not completed, the CMC considered Mr Hayward had an indirect interest in the contract, because one of the parties to the contract was a family trust which owed him a considerable amount of money. The CMC concluded that a provision of the legislation that prohibits members of parliament from transacting business with state entities may have been breached. Although this could not amount to official misconduct, it might invalidate the contract for the land, and a resolution of the Legislative Assembly could render Mr Hayward's seat vacant.

In July 2004 the Members Ethics and Parliamentary Privileges Committee reported to the Legislative Assembly on matters arising from the procedural recommendations made by the CMC. The committee noted that

Figure 8. Number of finalised investigations 2003–04

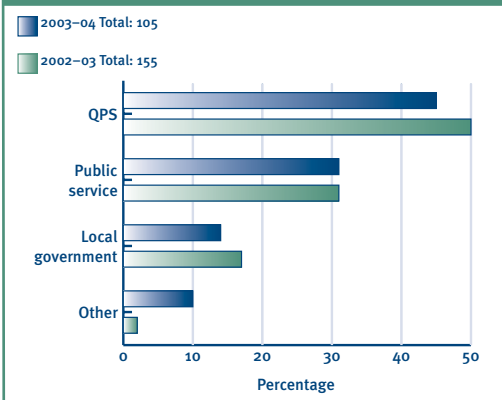


Figure 9. Types of charges 2003–04

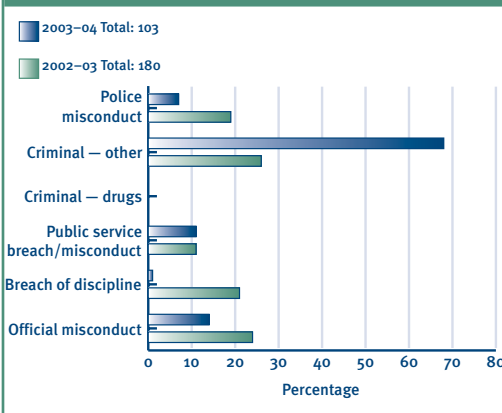
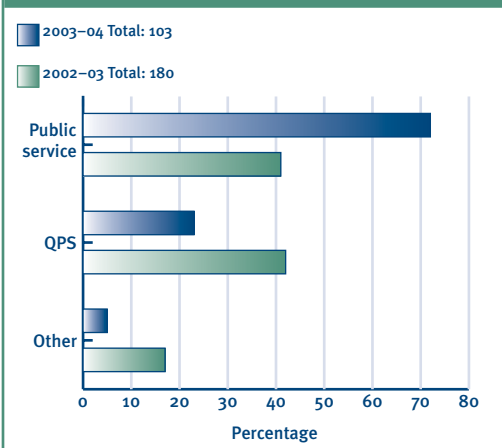


Figure 10. Types of charges by agency 2003–04





amending legislation had been enacted to reinstate a particular exemption allowing members of parliament to transact certain types of business. This exemption had been inadvertently removed, contrary to the intention of the parliament, during a lengthy legislation consolidation exercise undertaken in recent years.

The committee also formed the view that present documentation and certification requirements for parliamentary travel claims are sufficient, but that the matter should be included in a more complete review of members' entitlements. The committee agreed that it is important for members of parliament to be advised promptly and in detail of any changes to their ethical obligations. This is to be facilitated through information notices.

Investigating the claim for travel expenses involved examining all parliamentary travel claims submitted by Mr Hayward from 1995, seeking documentation and carrying out interviews. The CMC found no evidence that Mr Hayward misused his parliamentary travel entitlements.

Another matter investigated by the CMC related to a company, in which Mr Hayward currently holds a directorship, receiving a government grant. The investigation did not establish any evidence of official misconduct by anyone in relation to this grant. The grant process began before Mr Hayward or his family had any interests in this company.

Finally, no evidence was found of official misconduct by Mr Hayward in relation to his involvement in some mining tenement applications and interest.

The CMC made a number of procedural recommendations in relation to the issues that emerged from its investigations.

A report to parliament was published in November 2003.

### Hanson–Ettridge complaint

At the request of the Premier and under section 52 of the Crime and Misconduct Act, the CMC conducted an investigation into allegations arising from police investigations and civil and criminal litigation concerning the founders of the 'One Nation' political party: Pauline Hanson and David Ettridge.

The CMC examined submissions and interviewed a number of people, including many of those involved in the police investigation and the civil and criminal trials.

A public report, released in January 2004, concluded that there was no evidence of official misconduct or lack of due process. The CMC also found no evidence of political pressure or other improper influence or impropriety in relation to the civil proceedings or criminal prosecution.

### The Brisbane River flood studies investigation

A CMC investigation into newspaper allegations that the Brisbane City Council (BCC) had suppressed the findings of Brisbane River flood studies did not reveal any evidence of official misconduct by anyone involved. The allegations suggested that the council had undertaken an ongoing cover-up of flood risk and had 'failed to implement flood mitigation strategies recommended to protect residents from life-threatening floods'.

The investigation confirmed that information about the flood studies was not released to all of the BCC councillors or the general public, prior to the newspaper articles. However, there was no evidence that the decisions not to release the material were in any way the result of corrupt or other similarly improper purpose, such as could amount to official misconduct. Nor was there evidence that flood study information was manipulated by BCC officers or that those officers sought to conceal information. There was also no evidence that the committee acted against the advice of the relevant BCC officers, or that any relevant BCC officers acted outside their authority.

The CMC's investigation did, however, make recommendations for procedural reform regarding certain BCC decision-making processes, and the council's record-keeping practices. It also expressed its support for open government. In the CMC's view, information should be released to the public, unless there are compelling reasons in the public interest not to do so.

The CMC published its findings on its website in March 2004.

### Lockhart River wine investigation

In March 2004 a bottle of wine was found on a Queensland Government aircraft at the Lockhart River airport. Lockhart River is a restricted area under the *Liquor Act 1992* (Qld), which means that no alcohol may be taken into a public place in the area. Ms Teresa Mullan, the then adviser to the Minister for Aboriginal and Torres Strait Islander Policy, accepted responsibility for the presence of the bottle of



wine, but later alleged that the Premier and Minister gave untruthful accounts in public concerning their knowledge of the matter. The CMC was asked by the Premier to investigate Ms Mullan's allegations.

After thoroughly examining the events from the point of view of whether official misconduct had taken place — not from the point of view of whether an offence under the Liquor Act had occurred, because that was a matter for the police — the CMC concluded that, while there was evidence that four officers had misled the police, the allegations by Ms Mullan of a wider cover-up could not be substantiated. At about the same time as the CMC made its findings, the QPS concluded that no offence had occurred under the Liquor Act, but added that the Act should be redrafted to make the law clearer about what constitutes a 'public place' in a restricted area.

The CMC published its findings on its website in April 2004.

### **Improper approach to Queensland Greens candidate**

During the state election campaign of January 2004, the Queensland Greens referred a complaint to the CMC alleging that a Mr Kevin O'Sullivan, acting on behalf of Emergency Services Minister Mike Reynolds, asked the party's Townsville candidate, Ms Theresa Millard, to run a soft campaign in exchange for assistance in a bid for local government. The CMC examined the allegation but concluded that it could not be substantiated. The matter was dealt with before the state election was held and communicated to all parties.

### **Alleged misconduct by Logan City Councillor**

In June 2004 the CMC announced that it would take no further action regarding the alleged misconduct of Logan City Councillor Aidan McLindon. According to the complaint received by the CMC, during a performance by the councillor and his band KillTV, he had improperly published unproven allegations of corruption involving the council. In the course of investigating the matter the CMC viewed a video of the performance, finding that there was nothing in it that could amount to official misconduct by Councillor McLindon. The matter is therefore not within the jurisdiction of the CMC. Furthermore, in an interview with the CMC, Councillor McLindon did not allege corruption against any councillor and said he had no complaint to make to the CMC at that time.



## **Exposing public sector fraud**

Fraud and corruption have the potential to cause significant harm to the public and private sectors. Yet, according to a CMC survey of the Queensland public sector, only 26 per cent of agencies have fraud-control plans.

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*See Report Card on Exposing Public Sector Fraud, pages 51–52, for examples of CMC achievements during this reporting period.*

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In addition, a number of investigations into possible fraud are currently under way, two examples of which involve the Department of Public Works and a regional office of the Aboriginal and Torres Strait Islander Housing Construction Unit.

### **Department of Public Works**

A QAO audit of departmental contract and tendering processes at the Department of Public Works uncovered a number of anomalies, including payments totalling \$875 065 to a painting company. It was suspected that payments had been made without work being performed. The CMC executed search warrants on the private residences of the two subject officers and the two directors of the painting company. The CMC also exercised its statutory power to enter the premises of a public sector agency by entering the district office of the department. Records, including computers, were seized from the various addresses, and the officers were interviewed. They denied any fraud but in May 2004 the CMC conducted closed hearings in relation to the matter. Investigations are continuing. A concurrent misconduct prevention systems review is being conducted, focusing on improved internal controls.

### **Aboriginal and Torres Strait Islander Housing Construction Unit**

In March 2004 the CMC received a complaint from the Department of Housing regarding alleged noncompliance with policy and procedures within a regional office of the Aboriginal and Torres Strait Islander Housing Construction Unit. The CMC referred the matter back to the department, requesting the department to report to the CMC, should its investigation reveal evidence capable of supporting a suspicion of official

misconduct. In May 2004 the Director-General of the Department of Housing and departmental officers reported that their investigation had revealed possible official misconduct, including the apparent extension of preferential treatment to certain housing contractors and the misappropriation and/or theft of departmental funds and resources. Those allegations are now being investigated on a joint basis with the department, which has engaged an external accounting firm to conduct a review of relevant housing projects. The subject officer and two other senior managers attached to the regional office were stood down, pending completion of the joint investigation.

Also in May 2004, the CMC received another complaint regarding allegations of misconduct by a regional manager of another Aboriginal and Torres Strait Islander Housing Construction Unit. The investigation is continuing.



## **Examples of CMC investigations of 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, 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 continue to 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.

### **Former police officer convicted on prostitution charges**

In April 2004 a former police officer and his wife were both convicted in Brisbane Magistrates Court after pleading guilty on prostitution-related charges. The case was the result of a covert CMC investigation. The man was a serving Queensland police officer of 14 years' standing at the time of the investigation.

### **Possible disclosure of confidential information by police officer**

The CMC received an allegation that one or more police officers accessed and disclosed confidential information that warned members of an outlaw motorcycle gang (OMCG) in a regional centre of impending search warrants on their premises. It was also alleged that an associate of the gang (a solicitor) had warned the gang members after receiving information from a police officer. On advice from the DPP, the solicitor was charged with one offence of attempt to pervert the course of justice and one offence of attempted official corruption. The solicitor appeared in the Magistrates Court on 4 June 2004 and the matter was adjourned to November 2004. Investigations are continuing in relation to the source of the solicitor's information.

### **Police Minister allegedly influencing police investigation**

In May 2003, the Leader of the Opposition, Mr Springborg, directed a question in parliament to the then Minister for Police and Corrective Services in relation to the dropping of assault charges against a Builders Labourers Federation official. The CMC investigated the matter and established that there was no evidence that the minister had influenced the police investigation. The police officer involved in the case said he had formed the erroneous impression that there was ministerial interest in his investigation because he had incorrectly identified a QPS executive briefing note as a ministerial briefing note.

### **Manufacture of pornography**

A uniformed police officer resigned from the QPS and left Australia after the CMC investigated a complaint that the officer was involved in the production and sale on the Internet of pornographic videotapes. CMC investigators found equipment for the manufacture of pornographic material and obscene material in the officer's home.

Owing to the officer's resignation, no disciplinary action could be taken against him. However, the CMC referred the investigation report to the Films Classification Office for consideration of any prosecution proceedings under the *Classification of Films Act 1991*. On the advice of that office, the former police officer was summonsed in April 2004 to appear on charges under the *Classification of Films Act*. He did not attend court and the matter has been adjourned until 29 October 2004, when it is expected that the former officer will have returned to Australia.

### Theft of drug exhibits

After a CMC investigation, an ex-police officer was charged with two counts of stealing and two counts of possession of a dangerous drug in relation to theft of police drug exhibits. On 13 November 2003, the ex-officer Mobbs appeared before the Supreme Court, Brisbane, and pleaded guilty to all charges. He was sentenced to 12 months' imprisonment, suspended after three months for a period of three years.

### Assault

The CMC investigated a complaint that, in September 2002, a police sergeant assaulted a person who was in police custody at the time. The complainant was admitted to hospital suffering a black eye, facial lacerations, bleeding nose, swollen lips and a fractured eye socket. In November 2003, on advice from the DPP, the officer was charged with one count of assault occasioning bodily harm. The matter has been listed for hearing in October 2004.



### False complaints

Public sector officers, particularly police officers, sometimes voice concerns about the potential for false complaints to be made against them, and ask what action the CMC takes against people who make such complaints.

Both the QPS and the CMC take a serious view of people who deliberately bring undeserved disrepute upon innocent people and waste

valuable resources by causing unnecessary investigations into unfounded allegations.

False complaints form a small percentage of the complaints the CMC receives yearly, but the CMC will vigorously pursue people who deliberately make them.

Where sufficient evidence exists, the CMC recommends prosecution. However, there are legal and evidentiary requirements that must be met before a person can be convicted.

### Prosecution for making a false complaint

During this reporting period, a complainant was charged with making a false complaint to the CMC concerning a serious assault by a police officer in a watch-house.

A summary trial commenced on 23 April 2004 and was adjourned until later in the year.

In June 2004 the CMC published a Prevention Pointer on this topic to try to explain the nature of false complaints, how they are handled by the CMC, and the difficulties encountered in their prosecution. The paper also offers practical advice on how public sector officers can reduce the risk of being the subject of a false complaint.



# PROTECTING CHILDREN

## Foster care inquiry

During 2003 information came to light from various sources indicating that the foster care and child protection systems in Queensland, as administered by the Department of Families, had failed many children. The evidence pointed to systemic failures over many years to prevent children placed in foster care from being further abused or neglected. In July 2003 the Premier referred these concerns to the CMC, which responded immediately by launching two major misconduct investigations and an independent public inquiry.

This was a major undertaking for the CMC, and involved numerous staff from across the organisation. The inquiry, including publication of the report, *Protecting children: an inquiry into abuse of children in foster care*, was completed in under six months.

The report was the product of three separate but interrelated exercises, Operations Zellow and Ghost, and Project Park. Operations Zellow and Ghost were misconduct investigations into two particular foster families, and Project Park was concerned with the more general question of how the foster care system in Queensland could be made to operate more effectively. Project Lucid was the name of the project that coordinated and drew together these three exercises.

## Operations Zellow and Ghost

These investigations related to two separate foster care families. The findings from Operation Zellow were included in the January 2004 *Protecting children* report. Operation Ghost continued, culminating in June 2004 with a recommendation to the Director-General of the newly created Department of Child Safety that disciplinary action be considered against four departmental officers in relation to their handling of alleged abuse of children in foster care. The evidence gathered by the CMC suggested that the officers (one of whom was a manager) had performed their duties carelessly, incompetently or inefficiently.



Senior Legal Officer Darielle Campbell (foreground) headed the Zellow and Ghost teams. Clockwise from back left: Detective Sergeant Gary Davis, Acting Intelligence Analyst Tarina Russell, Detective Sergeant Ed Batkin and Intelligence Analyst Samantha Clarke.



Senior Research Officer Dr Margot Legosz, Deputy Director, Misconduct, Warren Strange and Deputy Director, Research and Prevention, Dr Mark Lynch coordinated the writing of the Protecting children report.

## Report of the inquiry

The 400-page report contained 110 recommendations for reform, including the recommendation for a new department – the Department of Child Safety.

By their favourable response, the key stakeholders to the *Protecting children* report endorsed the dedication and expertise that staff of the CMC brought to the inquiry process. If (as indicated by the State Government) all the recommendations of the report are implemented, the nature of child protection services in Queensland will be fundamentally changed for the better.





## Promoting integrity through research and prevention

In addition to investigating misconduct in the public sector, the CMC promotes integrity through a variety of projects and publications. Policing research, misconduct prevention activities and risk management system reviews all contribute to the CMC's commitment to building agency capacity.

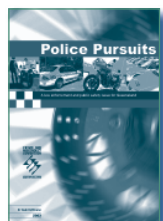
## Conducting research to improve policing

The CMC's research function fosters 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.

Significant projects begun or completed in this reporting period are as follows:

### Police pursuits

In December 2003 the CMC published *Police pursuits: a law enforcement and public safety issue for Queensland*. This was the product of a review of police pursuits in Queensland, carried out as a follow-up to an earlier study by the CMC's predecessor organisation, the CJC, which was published in 1998.

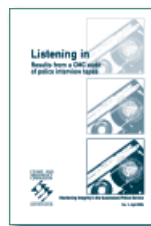


The 2003 publication examines injury rates, driver characteristics, types of offences and outcomes. It describes the risks associated with police pursuits, and includes a series of recommendations aimed at minimising the harm from pursuits without compromising public safety.

The findings from the report have received significant media attention, both in Queensland and across Australia.

### Police interview tapes

In April 2004 the CMC published a second audit of police interview tapes, *Listening in: results of a CMC audit of police interview tapes*, to assess police compliance with the *Police Powers and Responsibilities Act 1997* and the *Police Responsibilities Code 1998*. 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.



### Use of capsicum spray by police

An examination has begun as to 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. The examination includes crime reports, complaints to the CMC and attitudes of police officers. A report will be published in late 2004.

### Problem-oriented policing

The CMC worked in cooperation with the QPS to implement a 12-month trial to assess the effectiveness of problem-oriented policing (POP) among a group of detectives on the Gold Coast. Problem-oriented policing is a proactive rather than reactive approach to policing whereby police, in conjunction with other agencies, analyse the underlying features of crime and community problems, and then develop, implement and evaluate responses designed to eliminate those problems.

### Police response to domestic violence

The CMC is 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*. A report will be published in late 2004.

### Drug and alcohol initiatives

The CMC continued its participation in the QPS Drug and Alcohol Policy Working Party. The view of the CMC has always been that an



alcohol-testing system should be implemented and that compliance levels should be consistent with those in other high-risk occupations. It also supports the introduction of targeted testing for illicit drugs.

All key stakeholders in 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 Police Service Administration (Alcohol and Drug Testing) Amendment Bill 2003 was passed in October 2003. The legislation is designed to ensure that appropriate steps are taken in the interests of the health and welfare of relevant members of the QPS, and to raise the public's confidence in the integrity of the police service.

## Police radio communications inquiry

On 7 May 2004, following a referral from the Premier, the CMC announced its intention to conduct an independent public inquiry into the effects of a QPS decision to adopt digital technology for its radio communications, with public hearings to begin in late July 2004. After the hearings, the CMC will issue a report to parliament containing recommendations for the government.

The inquiry was sparked by a QPS decision to introduce secure digital radio communication systems, which may limit the current practice of news media monitoring police communications. The use of this technology raises important issues about the dissemination of police information to the media, and the need to offer a greater level of security to police officers and the public when police respond to critical and sensitive operational situations. The new technology will prevent the news media (and the public generally) from monitoring police radio communications. News media believe that unfettered media access is crucial to maintaining police standards and public faith in the police service. Some other stakeholders, on the other hand, argue that unfettered media



access seriously impinges on the individual's right to privacy. These matters will all be aired and examined during the inquiry.

## Reviews

### Review of the Prostitution Act

Section 56 of the *Crime and Misconduct Act 2001* states that the CMC has, in addition to the functions outlined in the Crime and Misconduct Act, any function 'conferred under another Act'. The *Prostitution Act 1999*, which came into effect in 2000, requires the CMC to evaluate the Act's effectiveness 'as soon as practicable' after three years from its implementation, and give a report on the review.

The purpose of the Prostitution Act is to 'regulate prostitution in Queensland'. It identifies the objective or underlying principles of the legislation as being to:

- > maintain quality of life for local communities
- > safeguard against corruption and organised crime
- > address social factors which contribute to involvement in the sex industry
- > ensure a healthy society
- > promote safety.

The purpose of the CMC's evaluation is to determine the extent to which the Act is succeeding in this regard.

In October 2003, the CMC called for submissions from those members of the public who considered that they could provide constructive comment on the operation and effectiveness of the Prostitution Act. In addition, all key agencies and individuals involved in the implementation of the Act were consulted on an annual basis for each of the four years of review. These included government representatives from the Prostitution Licensing Authority (PLA), the Prostitution Advisory Council (PAC), Queensland Health, the QPS, the Local Government Authority Queensland, brothel licensees and their representatives (Queensland Adult Business Association), and sex workers and their representatives (SQWISI, Scarlet Alliance, and the Liquor, Hospitality

and Miscellaneous Workers Union). Mr Tony McGrady, Minister for Police, and Ms Judy Spence, Minister for Corrective Services, were also interviewed in 2004.

In its evaluation the CMC has drawn on the findings of *Sex work in Queensland: a study of prostitution in Queensland*, by C Woodward, J Fischer, J Najman & M Dunne (commissioned by the PLA). The CMC also conducted its own survey of sex workers to ensure that they had a direct voice in the review. Twenty-one written submissions were received from the public and reviewed. The CMC also reviewed the legislation in other states and countries, collated available local and international empirical evidence about the sex industry, and accompanied police to observe innovative strategies to enforce the law in relation to street-based sex work in New Farm and Fortitude Valley. The report is expected to be published in late 2004.

## Review of the adult entertainment industry

Under referral from the Premier, the CMC is now also charged with reviewing the effectiveness of the regulations governing Queensland's live adult entertainment industry,

The CMC will examine both the regulated and unregulated adult entertainment industry and look at options to improve the current regulatory framework.

The current review is restricted to considering the provision of live adult entertainment — that is, the performance of sexually explicit acts for an audience — whether regulated under the Liquor Act or unregulated.

The CMC will focus on whether there is a need to extend regulation of the adult entertainment industry to address concerns including:

- > the possible entry of criminals and their associates into the industry
- > the possible exploitation of minors
- > possible impacts on the amenity of local communities.

The Queensland Government imposed a regulatory framework on adult entertainment and prostitution in 1999 through the enactment

of the *Prostitution Act 1999* and amendments to the *Criminal Code 1989* and the *Liquor Act 1992*.

The CMC's review of the live entertainment regulatory framework will complement its review of the Prostitution Act, mentioned previously. Taken together, these reviews will provide a comprehensive analysis of Queensland's sex industry, both regulated and unregulated, and provide the basis for any necessary regulatory change.

## Capacity building throughout the public sector

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 2003–04 the CMC helped build the capacity of the public sector with the following activities:

- > four regional visits to consult with agencies about how to improve their handling of misconduct
- > two CMC liaison officer forums, held in Brisbane
- > publication of guidelines for public sector agencies dealing with cases of suspected official misconduct: *Facing the facts*
- > publication of a report profiling the Queensland public sector, based on the findings of the CMC's Responding to Misconduct survey
- > 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
- > several organisational system reviews
- > misconduct-prevention advisory publications.

## Regional visits

In 2003–04 senior officers of the CMC visited four regional centres (Rockhampton, Longreach, Logan and Kingaroy) to consult with public sector agencies about better ways to deal with and prevent misconduct. By visiting the regions, the CMC acknowledges that public sector agencies in regional and rural areas face special difficulties in responding to misconduct.

## Liaison officer forums

In September 2003 and again in March 2004, the CMC held meetings with CMC liaison officers at its Brisbane premises. These meetings provide opportunities for the CMC to bring agencies up to date on CMC activities. At the same time, they provide a forum for the free exchange of ideas and concerns between the CMC and public sector agencies.



Director, Complaints Services, Helen Couper, delivering a presentation to staff of a public sector agency in Kingaroy.

## Facing the facts

At a meeting of liaison officers in March 2004 the CMC launched the much-anticipated guidelines *Facing the facts: a CMC guide for dealing with allegations of suspected official misconduct in public sector agencies*. The guide, which currently comprises 10 modules (more will be added), is available in hard copy, CD, and on the CMC's website. As at 30 June 2004, 234 copies had been distributed, and there had been 657 downloads on the publication's web address.



Information gained from quality assurance reviews of the departments of Health, Education, Emergency Services, Corrective Services and the Brisbane City Council helped in the compilation of the guide.

*Facing the facts* is designed to assist public sector agencies to respond to reports of misconduct arising within their own agency, an area identified by many agencies as an area of risk. It puts into perspective the role of the CMC, explains an agency's obligation to report to the CMC, defines the term 'official misconduct', outlines the various options available to public sector agencies in dealing with their own suspected official misconduct and, most of all, details the steps involved in conducting a formal investigation to meet the exacting standards of the CMC. The guide also contains a discussion on how to manage the impact of an investigation in the workplace, and how to use the lessons learnt in an investigation to prevent future occurrences of the same problem.

## Profiling the Queensland public sector

In June 2004, the CMC published *Profiling the Queensland public sector*, a companion volume to the ICAC'S *Profiling the New South Wales public sector*, which was published in 2003.



This landmark report represents the cooperation of 234 Queensland public sector agencies who took the time to participate in the CMC's

Responding to Misconduct survey — a survey designed to provide the CMC with the sort of information that it needs to help build the capacity of Queensland public sector agencies to deal with and prevent misconduct.

The information contained in this report should provide individual agencies with information about their own misconduct and corruption risks — and, importantly, the risks faced by similar organisations. The survey included:

- > perceptions as to what are the most significant types of misconduct in the Queensland public sector (e.g. fraud, misuse of public resources or improper use of information)
- > an examination of the types of activities that might put staff at a higher risk of exposure to misconduct
- > the prevalence of misconduct strategies (e.g. agency-specific codes of conduct, gifts and benefits policies, contracting and procurement procedures).

The CMC is already producing advisory materials designed to tackle the issues identified in the survey as causing public sector agencies the

most concern. For example, a resource kit to help agencies develop fraud-control plans is currently in preparation, because fraud was the type of misconduct nominated as potentially the most damaging.

## Strategic seminars/workshops and presentations

As in previous years, the CMC conducted strategic seminars and workshops for staff at various levels in the public sector, and presented papers to conferences and small groups on public sector misconduct, ethics, and the detection and prevention of white-collar crime. CMC officers also spoke to professional bodies and community groups on the role and functions of the CMC and the reporting of suspected official misconduct.

During the year CMC representatives gave over 100 presentations to outside groups and organisations. The presentations ranged from research-based conference papers to generic information about the role of the CMC. Organisations addressed included government agencies, university groups, professional bodies, stakeholder groups, and community and service clubs. *See also Appendix C.*

### Brisbane City Council establishes corporate integrity unit

The Corporate Integrity Unit (CIU) of the Brisbane City Council was established in January 2004 following a review of the former investigations and security units and extensive consultation with internal and external stakeholders. The unit has since developed an extensive set of procedures designed to meet the investigative needs of the BCC, using the CMC's *Facing the facts* publication as a basis.

A high priority for the CIU is to enhance integrity within the council. To this end, the CIU and professional staff from the misconduct prevention area of the

CMC worked together to produce the *Enhancing council integrity* report. This confidential report has helped the BCC to identify likely areas of fraud and corruption risks and to implement cost-effective policies and procedures to minimise and manage those risks.

The council's Corporate Risk Management Branch and the CIU are now implementing enhanced integrity management plans, which involve officers from the CIU working closely with divisional representatives and business units. CMC staff have participated in BCC workshops to formulate these programs.

Currently, the BCC is rolling out code-of-conduct training to its employees using the CMC's *The grassroots of ethical conduct* presentation kit and case studies based on organisational experience. The staff response to this training has been very encouraging.

The development of the CIU and the continued close liaison between the BCC and the CMC in implementing a proactive and comprehensive fraud and corruption control plan represent a milestone in corporate accountability within the local government sector.

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*The CMC website recorded over 200 000 hits throughout the year. The Misconduct Prevention Advice portal received over 1500 hits in the period January to June 2004.*

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### Organisational system reviews

As part of its capacity-building role, the CMC carries out organisational system reviews for government agencies, either proactively or after the agency has 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, organisational system 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.

Some examples completed or begun during this reporting period are:

- > a review of the relevant compliance and risk minimisation strategies adopted by a licensing authority, undertaken to address the potential misconduct risks inherent in performing those compliance activities
- > a review of systems and risk minimisation strategies of a major agency following allegations of funds misappropriation
- > a review of the internal fraud-prevention controls involving the tendering and contract allocation for building and maintenance projects
- > following a review of a range of misconduct allegations within a large local authority, a comprehensive advisory report recommended a 10-element fraud and corruption control plan
- > in conjunction with an investigation into the circumstances surrounding the conduct of flood planning studies and the release

of information to the public by the BCC, prevention recommendations were generated for improved and more accountable systems.

### Advisory publications

A range of capacity-building advisory resources were developed throughout the year to guide agencies in preventing and dealing with misconduct risks. The resources are available on the CMC's website. They include the following:

#### Fraud and corruption control

This paper was published in June 2004 as a forerunner to the CMC's fraud and corruption control guidelines, which are due for release later in 2004. The paper introduces fraud and corruption control planning, and outlines the 10-element model developed by the CMC. It is designed to help agencies develop their own management programs in advance of the more detailed materials to be released by the CMC later this year.

#### Regulatory risks

*Regulatory risks: minimising misconduct risks in agencies that have regulatory functions* identifies different types of regulators, their methods of enforcement and the misconduct risks they face. Using data generated by the CMC and other agencies, it identifies some major areas of misconduct risk for regulators, and various strategies to minimise such risks.

#### Answering the charges

*Answering the charges: guidelines for using corporate cards* outlines some factors that facilitate fraud and misconduct in the use of corporate cards, and suggests strategies to minimise potential misuse and ensure operational integrity.

#### Cyber traps

*Cyber traps: an overview of crime, misconduct and security risks in the cyber environment* has been produced not so much for IT specialists as for staff with organisational responsibilities. It is designed to raise their awareness of the crime, misconduct and security risks inherent in the cyber environment.



## In your interest

*In your interest: managing material personal interests* clarifies the obligations of councillors and council employees in relation to the material personal interest disclosure and exclusion provisions in the *Local Government Act 1993*. It explains the potential consequences of noncompliance, and outlines some preventive measures that can be taken. It was timed for release to coincide with the local government elections of March 2004 and was included in the Councillor Information Kit distributed after the elections.

## Kit for councillors

In June 2004, the CMC produced advisory materials for newly elected local government councillors. This Councillor Information Kit contains the following 11 papers in the Prevention Pointer series:



- > *Setting ethical standards in local government*
- > *Codes of conduct for councillors*
- > *Dealing with conflicts of interest*
- > *Making and maintaining statements of interests*
- > *Observing the rules in your dealings with council staff*
- > *Managing the receipt of gifts*
- > *Confidential information: how to keep it confidential*
- > *Reporting official misconduct*
- > *Lurks, perks and accountability*
- > *Governance in councils*
- > *Retention and disposal of council records.*

It also includes an information sheet, *The roles of Queensland's public sector integrity agencies*, and three papers in the Building Capacity series.

## Working collaboratively

Section 59 of the Crime and Misconduct Act calls on the CMC to work cooperatively with similar types of organisations, both within and outside the state, to avoid needless duplication and to make best use of resources.

Accordingly, the CMC regularly consults and liaises with key partner agencies, such as the Ombudsman, the Queensland Audit Office (QAO), 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.

For example, in 2003 the CMC liaised extensively with the QAO and exchanged information with the Auditor-General of Queensland and his staff in relation to the Hayward investigation (see page 33 for details).

The CMC also fostered good working relationships with interstate bodies such as the Independent Commission Against Corruption (ICAC). The report *Profiling the Queensland public sector*, for example, was inspired by the report *Profiling the NSW public sector*, put out by the ICAC in 2003.

The CMC is currently engaged with the ICAC in developing a best-practice guide and toolkit for dealing with conflicts of interest. These materials will explore situations where responses other than withdrawal can be considered. The project involves bringing together existing materials, along with additional research, to establish an agreed common guide, which may even become an Australian standard.

In conjunction with Griffith University and stakeholders from other states, the CMC has applied for an Australian Research Council Linkage Grant to research best practice in the management of internal whistleblowers. This project recognises the commonality of challenges and opportunities faced by all jurisdictions in this area.

A researcher from Griffith University's Key Centre for Law, Integrity, Ethics and Governance has been commissioned to prepare advisory materials on creating favourable reporting climates within organisations. This publication is due for release later in 2004.





*John Harten (Queensland Audit Office), Michelle Clarke (CMC Misconduct Prevention Officer) and Rod Metcalfe (Queensland Ombudsman) meet regularly to exchange information and ideas.*

## Playing a part in national and international ethics

### Queensland Public Sector Ethics Network

CMC representation 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 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

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.

## Working with Indigenous people and their communities

The CMC's *Strategic plan 2003–07* recognises that an important developing area for the CMC is its relationship with Indigenous people. It identified the following key deliverables:

- > Enter into partnership activities and share information with related agencies.
- > Develop policies and procedures related to the assessment, monitoring and investigation of complaints from members of the Indigenous community.
- > Provide advice on good corporate governance for Indigenous councils.
- > Continue the interaction between Indigenous groups and the CMC on complaints-related issues.

The CMC recognises that a small, but significant, number of complaints relate to Indigenous people. These complaints tend to fall into two categories:

- > complaints arising from interactions between Indigenous people and police
- > complaints of financial mismanagement or fraud in Indigenous councils or agencies.

These matters are often exacerbated by remoteness of location, limited opportunity to gather evidence and the involvement of numerous stakeholders.

Throughout the reporting period, the CMC has addressed these problems through its Aboriginal and Torres Strait Islander Consultative Committee, as well as through its Aboriginal and Torres Strait Islander Liaison Officers and Indigenous Complaints Officer.

The CMC (and its predecessor, the CJC) has hosted an Aboriginal and Torres Strait Islander Consultative Committee meeting every two months since 1993. The CMC shares information with the committee and invites Indigenous input into all initiatives undertaken.

The committee is made up of representatives from various organisations, including the CMC.

- > From outside the CMC: Lorraine Robinson (Chair), Leslie Barney, Bill Iverson, Richard Monaei, Rita Nona, Peter Opio-Otim, Greg Shadbolt and Eunice Watson.
- > From within the CMC: Dan Abednego, Brendan Butler, Helen Couper, Bonnie Eggmolesse, Lisa Florence, Mark Lynch, Paul Mazerolle and Cathy Tregea.

Sadly, a member of the committee passed away during the year.

Between July 2003 and January 2004, the CMC Aboriginal and Torres Strait Islander Liaison and Education Officers assisted the Inquiry into Abuse of Children in Foster Care. They also:

- > facilitated four regular CMC – Aboriginal and Torres Strait Islander Consultative Committee meetings
- > organised CMC participation in NAIDOC at King George Square and Musgrave Park, Brisbane; Queens Park, Townsville; and the George McCoy Park, Mount Isa



*Shown on the far left is the CMC's stand at the Musgrave Park NAIDOC celebrations in July 2003. The CMC joined with the Queensland Ombudsman and the Health Rights Commission under the banner 'Your rights are our business'.*

- > presented a CMC presentation on reporting obligations and complaint services to CEOs and Finance Officers of Aboriginal and Torres Strait Islander Community Councils in Cairns and Thursday Island
- > visited the Doomadgee Aboriginal Community Council and a member of the Community Justice Group
- > attended the regular Aboriginal and Torres Strait Islander – QPS Review and Reference Group meetings, and the QPS Community Advisory Board – Justice Entry Program at the Academy
- > accompanied a senior CMC officer to meet with the Executive Director and Executive Council of the Aboriginal Coordinating Council in Cairns.

The CMC also sponsored a young Indigenous person under the National Indigenous Cadetship Scheme.

## Indigenous people and the police

Aside from fostering good relations between the CMC and Indigenous communities, part of the CMC's Aboriginal and Torres Strait Islander Liaison Program focuses on building good relationships between the CMC, the police and Indigenous people. Liaison officers regularly visit Indigenous communities with investigation teams and complaints officers to work towards resolving conflict between the police and the community. Additionally, CMC research officers have previously conducted research consultations and focus groups with both police officers and Indigenous communities to solicit

their views about appropriate levels of service delivery. This research exercise is expected to provide practical suggestions for improving levels of service and satisfaction.

## Indigenous councils and agencies

Liaison officers from the CMC are in regular communication with officials from the Aboriginal Coordinating Council and the Indigenous Coordinating Council 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.

The CMC continued to produce materials for Indigenous councils in its On the Right Track series. The materials were developed in consultation with DATSIP, the Aboriginal Coordinating Council, the Indigenous Coordinating Council, the Financial Accountability Improvement Committee (FAIC), the QAO, and the Queensland Ombudsman's Office, as well as with some individual Aboriginal councils.

An On the Right Track workshop is currently being developed for late 2004. This will include the provision of a facilitators' workshop guide for developing codes of conduct and disciplinary

## Improving public sector integrity OUTLOOK 2004–05

- > Assess an estimated 3300 matters.
- > Finalise an estimated 120 investigations.
- > Undertake 18 research, prevention and intelligence projects.
- > Review the implementation of recommendations contained in the CMC report *Seeking justice*.
- > Review the implementation of recommendations contained in the CMC report *The Volkers case*.
- > Publish an evaluation of the *Prostitution Act 1999* (Qld) and a review of the adult entertainment industry in Queensland.
- > Publish a report on a public inquiry into police radio communications.
- > Conduct a joint ICAC–CMC conflicts-of-interest project.
- > Undertake 12 capacity-building and monitoring projects, including:
  - four regional visits to North Queensland, Western Queensland and the Wide Bay/ Burnett region
  - two liaison officers meetings and expansion of the CMC's network of liaison officers
  - capacity-building papers on selected topics from the Responding to Misconduct survey, such as managing sponsorship risks and the receipt of gifts and benefits
  - more *Facing the facts* modules, as well as a self-paced learning program on the guidelines for public sector staff
  - 250 reviews and audits of matters dealt with by public sector agencies.
- > Undertake major prevention system reviews as needed to address specific or generic misconduct risks that are identified in public sector agencies
- > Trial On the Right Track workshops and produce a guide for workshop facilitators.
- > Continue to raise community awareness of integrity issues through:
  - providing useful information to stakeholders on the CMC website
  - increasing public availability of investigative and prevention reports
  - participating in community activities such as NAIDOC Week.



## Exposing public sector fraud

### ☑ **Corrective Services officer jailed**

On 4 June 2004 a former Department of Corrective Services officer, Trevor Bruce Buckingham, pleaded guilty to 37 charges relating to offences committed between 1993 and 1997 while he was working in the printing and bookbinding sections of the Wacol and Moreton Correctional Centres. He and another officer and a civilian (dealt with earlier) were charged after an investigation by the CMC into the systematic defrauding of the department.

For years Buckingham and the other accused had:

- > prepared false documents that indicated printing and other work had been outsourced to a company that did not exist or did not provide the type of service required

- > outsourced printing work to a genuine supplier who inflated the prices charged to the correctional centre in order to receive a kickback
- > personally received payments for work performed by the centre.

Buckingham was sentenced to three years' jail on a series of charges including false pretences, receiving secret commissions, misappropriation and fraud. The sentence is to be suspended after nine months. In addition he was ordered to pay a pecuniary penalty of \$9800 under the *Criminal Proceeds Confiscation Act 2002* and approximately \$27 000 in restitution to the department.

### ☑ **Fraud by purchasing officer in QRail exposed**

In Brisbane Magistrates Court on 28 April 2004, Queensland Rail (QRail) officer Glen Richter and four external contractors faced 58 charges including fraud, official corruption, receiving secret commissions and stealing as a servant. The charges followed an extensive investigation by the CMC into alleged corrupt arrangements in the awarding of QRail contracts worth almost \$1m.

The CMC executed search warrants at targeted addresses and seized a significant amount of

documentary material. Investigations revealed that a number of companies associated with Richter 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 QRail to the companies.

Investigative hearings conducted by the CMC heard evidence of kickbacks and other corrupt activities.

All the accused have entered guilty pleas and were due for sentence in September 2004.

### ☑ **Corruption in local government investigated**

The CMC received a complaint from the CEO of a council referring an allegation raised by a journalist from a local newspaper that a council officer corruptly received gifts and benefits, including two overseas trips, in return for allocating council contracts for the supply of goods and services to a private contractor. In February 2003, the CMC conducted investigative hearings, at which three council officers admitted that they had received benefits in the form of travel and accommodation,

but denied it was part of a corrupt scheme. A fourth officer admitted receiving benefits including travel, accommodation, cash and gifts from the contractor as part of a corrupt arrangement. Numerous briefs of evidence in relation to council officers and contractors are at various stages of preparation and referral to the DPP. One person has already appeared before the courts. Further charges are expected to be laid.

# CMC REPORT CARD 2003-04

## Exposing public sector fraud

### ✓ Queensland Transport officers jailed in separate cases

In May 2004, a CMC investigation resulted in the conviction of a former Queensland Transport vehicle inspection officer, Ian James Mills, who pleaded guilty to receiving secret commissions totalling an amount of almost \$11 000.

Mills was sentenced to 12 months' imprisonment, suspended after three months, on each of the 27 charges, with the sentences to be served concurrently; he was placed on a good behaviour bond for three years.

In handing down the sentence, Judge Hoath said that, while the vehicle inspections had not been carried out improperly, there could still be a perception that safety had been compromised or that the transport companies that owned the vehicles had been given favourable treatment.

Back in May 2001, a former Queensland Transport officer was sentenced to three years' imprisonment and ordered to pay a pecuniary penalty of \$30 000 as the result of a CMC investigation into false driver licences and illegally registered motor vehicles. At the time the CMC forwarded briefs of evidence to the DPP on 11 other individuals involved in the matter. The DPP recommended that all of these people be charged with criminal offences.

Ten pleaded guilty to various charges of official corruption and fraud and were dealt with by the courts over the last two years, the most recent being in June 2004. An arrest warrant has been issued for the remaining defendant.

### ✓ Public Trust Office systems reviewed and improved

Last year's annual report mentioned a CMC investigation into an allegation that an officer of the Public Trustee had misappropriated monies held in trust for clients. The investigation found evidence 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.

The former officer was charged with fraud and the matter will be dealt with by the District Court in September 2004. The CMC assisted the Public Trust Office to review its operations and identify and remedy certain system deficiencies that had the potential to facilitate fraudulent conduct.

### ✓ Charges laid against Queensland Law Society director

Following a CMC investigation, a former senior Queensland Law Society officer, Nicholas Francis Masinello, was charged with one count of fraud in relation to the alleged misuse of a corporate credit card while director of the organisation's professional standards unit.

(In August 2004, six prosecution witnesses gave evidence during a two-day committal proceeding. Mr Masinello entered a plea of not guilty and will appear in the Brisbane District Court on a date yet to be fixed.)



# PROTECTING WITNESSES

The CMC is committed to providing an effective witness protection service

The CMC administers the witness protection program for Queensland, which 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 and appointed by the Chairperson as witness protection officers. 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.

Since the Fitzgerald Inquiry, the Witness Protection Unit has protected 1183 people (231 since the formation of the CMC on 1 January 2002), with a success rate of 100 per cent. This section of the report details the CMC's achievements during 2003–04 in the area of protecting witnesses.

Table 10. Performance 2003–04

Indicator	Performance	
	Target	Actual
Applications received and assessed	200	143
No. of admissions to witness protection program	100	52
% eligible people offered interim protection within two days	90	100
% protected witnesses who meet court commitments	100	100
Cost for 'Protecting witnesses' output	\$3.817m	\$3.894m

## Strategies

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

## Providing support to protected witnesses

In 2003–04 the CMC protected 121 people in 55 operations, including 69 who were already receiving protection at the start of the year; none came to any harm. At the end of the reporting period, 46 people in 25 operations were receiving protection.

During the year, 71 threat assessments were conducted and 44 witnesses received court security. These figures are down on those of the previous reporting period, because fewer threat assessments needed to be completed for new identity purposes in the current period. Coupled with this there was an unexpected downward trend in applications for protection by client law enforcement agencies. Witness protection operations this year have included the following:

- > **Violence.** Two protected witnesses provided evidence that contributed to the sentencing of four offenders to three years' imprisonment for offences involving burglary with violence, stealing and deprivation of liberty.
- > **Murder.** The survivor of a murder attempt was accepted onto the witness protection program and testified against two offenders in separate trials. As the result of evidence provided by the protected person, one offender was convicted of attempted murder and sentenced to eight years' imprisonment while the other pleaded guilty to the murder of the protected person's partner and is now serving a sentence of life imprisonment.
- > **Home invasion.** A protected witness provided evidence resulting in an offender being sentenced to six years' imprisonment for home invasion.

> **Possession of illegal drugs.** A protected witness's evidence in a drug-related matter contributed to one offender receiving five-and-a-half years' imprisonment for possession of a dangerous drug, possession of a drug utensil and possession of explosives. Another offender was convicted of supplying a dangerous drug and was sentenced to three years' imprisonment.

> **Trafficking in illegal drugs.** A court security operation involved two protected witnesses from separate operations who had both provided evidence into the manufacturing and trafficking of illicit drugs in the North Coast region. The operation concluded when the principal offender pleaded guilty. The offender was sentenced to nine years' imprisonment and, as a declared serious violent offender, is required to serve at least 80 per cent of the sentence.

and the police. The officers of the witness protection program have stood by me and believed in me and taught me honesty, respect and right from wrong. With the help of these people I have learnt to respect the law and for that alone I hold my head high.

## Training

Witnesses on the program are the chief beneficiaries of the high standard of training of CMC witness protection officers.

The Witness Protection Course developed by the CMC has been registered as an Advanced Diploma in Public Safety (Police Witness Protection) through the Department of Employment and Training. This is the first nationally accredited police course awarded such a standing.

The course runs for four weeks and covers driver training, local legislation, firearm skills and witness protection methodologies. It is intended that all CMC witness protection officers will attain this qualification.

In March 2004 a national presentation was made to the Heads of Australasian Witness

## Developing effective witness protection methods

### Welfare service

As well as providing physical protection, witness protection officers provide a welfare support service, which involves ensuring that protected people receive the professional assistance they require. As a result, severely drug-affected and dysfunctional people have been rehabilitated while on the witness protection program, becoming useful members of society. One witness had this to say about his experience in the program:

I came onto the program with a bad attitude, a drug habit and a definite hate for the law

**Table 11. Statistics on witness protection 2003–04**

People protected	121
Operations	55
Protection at court	44
Referrals	143
Threat assessments	71
Acceptances	52
Arrangements concluded	78
As at 30 June 2004	46

**Table 12. Current applicants, current operations and new referrals 1987–88 to 2003–04**

	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
2003–04	121	55	143

\*A person may apply for protection more than once.

Protection. The conference reaffirmed that the CMC's Witness Protection Unit is the lead agency for witness protection training in Australasia. Since then the CMC has given approval for the unit to conduct the inaugural National Witness Protection Course in Brisbane in 2004–05.

Law enforcement agencies throughout Australia and from around the world have indicated an interest in attending the course in Brisbane, including the United States Marshals Service, which is recognised as the world leader in witness protection, as well as law enforcement agencies in New Zealand, the United Kingdom and South Africa.

## New identities

The Witness Protection Act provides a legislative basis for creation of new identities. After formalising relationships with other government agencies, the Witness Protection Unit is now better placed to change the identity of protected persons in appropriate circumstances. All protected persons are assessed for the provision of a new identity, and this process determines the protected witness's suitability for a new identity as well the necessity for such measures.

## Relationships with client law enforcement agencies

In 2003–04 the CMC continued to develop its relationships with other law enforcement agencies, especially its largest client agency, the QPS. Proactive marketing and information sessions were delivered to investigators, managers and training staff in different QPS regions about the witness protection program. These sessions highlighted the application process, and the obligations on both the protected person and the Witness Protection Unit. They also addressed common questions about the program. This process has created greater understanding by clients of the benefits of the program and the role of the CMC in providing witness protection.

The unit has also continued to develop its relationships in the national context, through close liaison with other witness protection agencies in state and Commonwealth jurisdictions. The Officer in Charge of the Unit is also a member of the Steering Committee of the Australasian Heads of Witness Protection, with an agenda to action the resolutions of the National Conference, held in Sydney in March 2004.

### How do people get onto the CMC's witness protection program?

A person does not have to be a witness in a court of law to qualify for witness protection, but must have helped a law enforcement agency and be in danger because of having done so.

Applications are made by officers from a law enforcement agency on behalf of a witness who has assisted that agency. Applications are sent to the Witness Protection Unit, where arrangements are made with the referring officer for applicants to be interviewed by members of the unit. The interviewer assesses applicants' suitability for inclusion, gathers information on their history and personal details, and outlines their obligations and responsibilities if admitted to the program.

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. Witness protection can involve relocating the person and may include the creation of a new identity. It may also extend to relatives and associates.

The CMC provides both long-term full witness protection involving relocation and possibly a new identity, and short-term protection, which can be used for court security purposes. The latter has proved to be useful for those witnesses who do not wish

to be relocated and cut off from their previous life, yet need to be protected at times when they are most vulnerable.

Before a person can be admitted to the program, the unit assesses the level of threat to determine whether the person fulfils the eligibility criteria contained in section 6 of the *Witness Protection Act 2000*. Current operations are also reassessed 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.

The development of the National Witness Protection Course has led to increased contact among witness protection practitioners in the Australasian environment, which has further strengthened relationships with law enforcement agencies.

The CMC has also pursued the recognition of the *Witness Protection Act 2000* as complementary legislation to that of the Commonwealth and other states. Where there has not been complementary legislation, the CMC has continued to cooperate with appropriate interstate authorities and develop reciprocal arrangements with them. The CMC continued to develop memoranda of understanding and working relationships with state and Commonwealth departments to assist in the application of the Witness Protection Act.

### Significant external presentations

- > From 11 to 15 August 2003 senior staff of the Witness Protection Unit presented the National Witness Protection Workshop in Adelaide. Discussion topics related to recognition of prior

learning and recognition of current competency processes for witness protection staff, and design of the new national witness protection course. The workshop decided the structure and content of the proposed course to be developed by the CMC's Witness Protection Unit.

- > Once the course had been developed, the Witness Protection Unit was formally notified that the course had been registered as an Advanced Diploma in Witness Protection through the Department of Education and Training. A presentation on the new course was made to the Australasian Heads of Witness Protection Conference on 3 March 2004, held in Sydney, by the unit's Detective Inspector in Charge. The conference later resolved that Queensland was the lead agency in witness protection training. The first course will be conducted in Brisbane in the latter half of 2004.
- > Presentations on the Witness Protection Unit, and referral to the program, were regularly delivered to participants of the Detective Training Phase 1 program at Chelmer Police College. Five such sessions were delivered during the year, and similar presentations were made to experienced investigators and training personnel in policing regions throughout the state.

### Protecting witnesses OUTLOOK 2004–05

- > Assess applications for witness protection as to suitability for inclusion in the program.
- > Assess necessity for new identities in respect of all new people included in the program.
- > Liaise with national and international witness protection units to continue to develop best-practice methodology, and address issues that have impacts on the strategic management of witness protection.
- > Continue to review and develop policy and procedures, in accordance with legislation, to ensure that a professional, effective and efficient witness protection service is offered to the community and client agencies.
- > Deliver the first national witness protection course to national and international participants from law enforcement agencies.
- > Continue processes for the recognition of current competencies for members of the witness protection unit in line with national standards to ensure that those involved in providing witness protection are appropriately trained.

# OPERATIONS SUPPORT

Supporting the outputs of combating major crime,  
improving public sector integrity and protecting witnesses

## The Operations Support units

Operations Support contributes to all three of the CMC's outputs: 'Combating major crime', 'Improving public sector integrity' and 'Protecting witnesses'. It comprises three distinct areas:

- > Physical Surveillance Unit (PSU)
- > Technical Surveillance Unit (TSU)
- > Forensic Computing Unit (FCU).

### Physical Surveillance Unit

Physical surveillance includes mobile (vehicular), foot or static surveillance and also includes the capturing of images of subjects using either still or video cameras. The unit further supports CMC outputs by providing evidence of surveillance in court matters.

### Technical Surveillance Unit

The TSU supports CMC outputs with the use of various electronic surveillance technologies. Electronic tracking systems using satellite technology, in addition to the more conventional video and listening device technologies, have successfully been deployed in a number of operations and have resulted in enhanced intelligence product and resulting evidence. In particular, the use of electronic tracking technology has provided the CMC with an improved quality of service through better use of technology and more efficient use of resources.

While the PSU and the TSU are separate, they work closely together in an operational context. For example, the PSU provides surveillance cover to allow the TSU the opportunity to install electronic devices.

## Forensic Computing Unit

The aim of the FCU is to establish and maintain effective operating procedures, resources and equipment to ensure the professional and efficient delivery of digital intelligence and evidence to stakeholders within the CMC.

Major functions include:

- > search and seizure of digital evidence
- > preservation of digital evidence (using specialist forensic software products)
- > provision of advice to management and investigators on the methods for handling digital evidence
- > provision of opportunities for digital evidence and/or intelligence to support investigations.

In acknowledging the increased reliance in investigations on the capabilities of the FCU, the CMC has recently given approval for the staffing levels of the unit to be increased with the addition of an extra forensic computing analyst.



*Operations Support and Witness Protection are led by the most senior police officer attached to the CMC, currently Assistant Commissioner Ron Vincent.*

## Training

### Forensic computing training

In November 2003 a forensic computing member attended an Internet and e-mail examinations course in Sydney. In May 2004 a member attended a computer hardware course in Brisbane contributing towards industry qualifications and certification.

Also in November 2003, a forensic computing member provided a digital evidence lecture at the CMC Rockhampton Regional Conference. The member has also delivered digital evidence awareness training to stakeholders within the CMC, and a local government auditors' conference on Bribie Island.

In April 2004, both members of the FCU attended the Australian Hi-Tech Crime Unit Conference. The aim of this conference was to develop standard procedures to ensure that all states are consistent in their approach to forensic computer examinations.

### Surveillance training

A member of the PSU, while on leave in the United States, liaised with law enforcement agencies to identify best practices regarding physical surveillance activities. He also attended a Nikon training course in the USA, which resulted in Nikon providing the CMC with suitable digital imaging software to store images in compliance with evidentiary procedures. On his return to Australia, the officer continued with his research, liaising with Australian law enforcement agencies, and received an invitation to attend a digital imaging course conducted by the AFP in Brisbane. The officer has since provided training in digital imaging processes to all of the CMC's physical surveillance officers to ensure the best possible production of digital photographs and videos for use as evidence in CMC investigations.

## Technical surveillance training

TSU operatives undertook a variety of training regimes during the reporting period. In particular, the operatives continued to diversify their skill base by undertaking training and practice in digital editing, installation techniques, electrical testing procedures and the use and operation of various items of machinery. Additionally, for the reporting period in question, there has been an increased emphasis on training requirements. This is due to a higher level of detection strategies and associated threats employed by various offenders. It is also as a result of new and emerging technologies and methodologies now available.

Two technical surveillance operatives attended the annual Australasian Technical Support Unit conference, which was held in Darwin in November 2003. This annual conference provides a showcase for new technologies and gives practitioners from around Australasia the opportunity to share information on technical matters affecting all jurisdictions.

## Contribution to the CMC's outputs

Throughout the reporting period all three Operations Support units have played an essential role in contributing to the CMC's outputs, in particular the Crime function. For example, the Operations Support units were instrumental in providing surveillance and technical support to organised crime and misconduct investigations and in contributing forensic computing expertise to paedophile investigations.



# ORGANISATIONAL CAPABILITY

The CMC strives to be an effective and productive organisation serving all Queenslanders

## The Commission

The Commission, comprising the Chairperson and four part-time Commissioners, has primary responsibility for the achievement of the purposes of the Crime and Misconduct Act. It exercises special investigative powers not ordinarily available to the police service, making important decisions on the conduct of hearings and the issue of reports.

Each fortnight the Commission meets formally to consider issues affecting all areas of the organisation. The Assistant Commissioner, Crime, and the Assistant Commissioner, Misconduct, also attend Commission meetings, although they have no voting rights. The fortnightly Commission meetings are lengthy, extending over four to five hours. A comprehensive agenda regularly includes consideration of the work of the various divisions since the last meeting, whether a particular draft report should be issued or revised, whether a matter should be referred for prosecution or disciplinary action, and any managerial issues for discussion.

When urgent matters arise, special meetings are convened at short notice either in person or by telephone. During 2003–04 the Commission met 29 times, of which five were special meetings, and met with the PCMC five times (see Table 13).

In addition, the part-time Commissioners chair significant internal committees and represent the CMC on external bodies.

The Crime and Misconduct Act 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, criminology, sociology or research related to crime or crime prevention.

The members of the Commission are all appointed by the Governor-in-Council for fixed terms of not more than five years. Their nomination for appointment must have the bipartisan support of the Parliamentary Crime and Misconduct Committee.

As representatives of the community, the part-time Commissioners bring a broad range of professional expertise and personal experience to the Commission. *For details of the backgrounds of the current Chairperson and Commissioners, see next page.*

**Table 13. Attendance of Commissioners and Assistant Commissioners at Commission meetings 2003–04**

	With PCMC (n = 5)	Ordinary (n = 24)	Special (n = 5)
B Butler SC	5	21	3
Hon. B Pincus QC	3	21	4
S Goold	4	22	5
R Rinaudo	4	21	5
M Steinberg	5	22	5
J Callanan*	4	21	5
S Lambrides*	4	22	5

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

## Membership of the Commission as at June 2004

### **Mr 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.

### **Mrs 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 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.

### **Mr 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, a part-time member of the Administrative Appeals Tribunal 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 in 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.

### **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. 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, and chair or member of advisory boards at the University of Sunshine Coast and Swinburne University of Technology. She is Patron of the Lifelong Learning Council of Queensland and Governor of the Queensland Community Foundation.

## The Strategic Management Group

CMC corporate policy and strategic directions, set by the Commission, are implemented by the Strategic Management Group (SMG) (see photograph below), 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 that these committees maintain a strategic focus, charters have been developed to 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.

## Excellence in governance and corporate infrastructure

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
- > legislative compliance structures
- > financial management and performance management systems and structures
- > resource-management practices and structures.



*Back row from left: Acting Director, Misconduct Investigations, Warren Strange; Director, Complaints Services, Helen Couper; Director, Witness Protection and Operations Support, Assistant Commissioner Ron Vincent; Director, Research and Prevention, Paul Mazerolle; Director, Crime Operations, Jan Lidicky; Director, Intelligence and Information, Paul Roger.*  
*Front row from left: Executive Director Graham Brighton; Chairperson Brendan Butler SC; Assistant Commissioner, Crime, John Callanan; Assistant Commissioner, Misconduct, Stephen Lambrides.*

## Internal accountability structures

These structures relate to the way in which the CMC plans, organises, manages and monitors its operations, performance and internal controls, and strives to achieve best practice.

### Audit Committee

The Audit Committee is chaired by a Commissioner, Professor Steinberg, and consists of members independent of management including an external member.

Outputs for 2003–04:

- > Provided independent advice to the Commission on identifying areas of potential risk to the CMC and where the main thrust of the audit functions should be directed.
- > Considered and approved the 2003–04 Internal Audit Plan.
- > Reviewed all internal audit reports produced by the Internal Auditor.
- > Monitored the implementation of recommendations contained in the audit reports and, where necessary, discussed progress with the Chairperson.
- > Recommended that the Internal Auditor be retained on a permanent part-time basis.

### Commission Consultative Committee

This committee continued to provide an effective forum for employees and senior management to exchange ideas, concerns and points of view. This year the committee considered representations from staff on such matters as opportunities for multiskilling and skill development, additional locker and shower facilities, and dress standards. The committee continues to monitor the CMC's enterprise agreements. A new committee commenced in April 2004 and will continue for a 12-month period.

### Equal Employment Opportunity Consultative Committee

Outputs for 2003–04:

- > 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 CMC staff.
- > Updated the yearly action plan, linked to the EEO Management Plan for 2003–06.
- > Continued marketing of significant EEO events during the year.

*See also Appendix B.*

### Finance Committee

The Finance Committee assists the Commission with managing the budget process and ensures that there are appropriate and effective financial management practices. The Commission accepted all the committee's recommendations.

Outputs for 2003–04:

- > Monitored expenditure during the year and, where necessary, made recommendations to vary budget strategies to ensure that expenditure remains within budget.
- > Recommended to the Commission that the accounting recognition of assets be increased from \$1000 to \$2000, and that the threshold for recognition of portable and attractive items be increased from \$300 to \$500.
- > Provided recommendations to the Commission in relation to the formulation of a budget for the 2004–05 financial year.

### Information Steering Committee

The Information Steering Committee ensures that the CMC has in place a strategic plan for its information systems and that the information infrastructure is capable of meeting the CMC's needs, having regard to technological advances.

Outputs for 2003–04:

- > Produced the Information and Communication Technology Resources Strategic Plan 2004–2008 and the related 2004–05 Information Management Operational Plan.
- > Produced the Strategic Recordkeeping Implementation Plan 2003–06.
- > Ensured compliance with the Government Information Standards.

## Legislation Committee

Outputs for 2003–04:

- > Reviewed the legislative compliance tables prepared to guide the CMC in its application of the Crime and Misconduct Act and approved monitoring and implementation procedures for the tables.
- > Monitored state and federal changes to legislation and initiatives likely to affect the activities of the CMC, including proposed legislative changes to implement the National Investigative Powers scheme.

## Risk Management Committee

The Risk Management Committee ensures that the CMC maintains robust and effective risk management strategies and related practices, and ensures that the CMC maintains appropriate fraud minimisation strategies.

Outputs for 2003–04:

- > Updated the Risk Management Policy and Procedure.
- > Participated in the Government Agency Preparedness (GAP) Project with the attendance of two committee members at regular GAP network meetings. The project aims to improve the preparedness of government agencies to the threat of terrorism. The GAP Project coordinator has noted that CMC security procedures provide a benchmark for security within Queensland government agencies.
- > Reviewed CMC functional area annual risk assessments and identified improvements.
- > Developed a new Fraud Prevention and Control Plan/Policy.

## Workplace Health and Safety Committee

The CMC's Workplace Health and Safety Committee established the framework for a program that will address and measure the CMC's performance in providing a safe and healthy environment for its employees. This program is articulated in three interdependent processes:

- > the *Workplace health and safety manual*
- > an annual Workplace Health and Safety Action Plan

- > a Workplace Health and Safety Audit System.

The *Workplace health and safety manual* was promulgated in October 2003. This document includes policy and procedure relating to audit compliance elements to achieve best practice standards in health and safety.

An action plan for 2004 was released in December 2003. Since then the following initiatives have been taken:

- > accreditation for the CMC rehabilitation policy and procedures
- > revision of the corporate induction program
- > an election process for the Workplace Health and Safety Representatives
- > inspection documentation in preparation for the physical risk survey and compliance audit, which will be conducted later in 2004.

## Other committees

The following committees deal specifically with operational matters and so the details of their work cannot be given here:

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

## Internal audit

The CMC has an independent internal audit function, which reports directly to the Chairperson. Where necessary, additional external resources are used to ensure effective audit coverage. The function is an integral part of the CMC's corporate governance framework.

Internal audit operates under a formal charter approved by the Chairperson, and its activities are monitored by the Audit Committee. Its fundamental role is to conduct independent audits as a service to management, and to help management achieve sound managerial control. The Internal Auditor acts independently of the Audit Committee but has a standing invitation to attend committee meetings. The function also liaises regularly with the QAO 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 2003–04:

- > Developed an Internal Audit Annual Plan.
- > Reviewed the Internal Audit Charter, policies and procedures.
- > Implemented the 2003–04 Internal Audit Plan.
- > Prepared and issued final audit reports on six key systems and areas.
- > Followed up on outstanding audit recommendations.
- > Conducted a number of ongoing reviews and activities on behalf of the QAO.
- > Reviewed work area risk management planning, monitoring and reporting processes.
- > Prepared audit test programs and checklists to facilitate control over the preparation of financial statements and end of year internal-audit processes.

## 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:

- > monitor and review the performance of the CMC
- > 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 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. 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, the CMC prepared a submission, which was delivered to the PCMC in April 2003.

The primary focus of the submission was on the work of the CMC in its key areas of responsibility, so that a proper assessment could be made of its performance.

Early in 2004 the PCMC completed its three-yearly review of the CMC's achievements. The review contained 50 recommendations. The CMC recognises this review as a vital part of the accountability process, as well as playing an important role in helping the CMC to align its priorities and improve its effectiveness.

## Parliamentary Crime and Misconduct Commissioner

The PCMC has the authority to investigate any complaint against the CMC and may also direct the Parliamentary Crime and Misconduct Commissioner (Parliamentary Commissioner), who has similar powers to those of a Commission of Inquiry, to undertake such an investigation. Those powers include the ability to require CMC officers to give evidence at a hearing, and to require the production of records, files and other documents.

The PCMC may also direct the Parliamentary Commissioner to audit and review the CMC's activities. The Parliamentary Commissioner completed the first part of a staged audit of the records and files of the Commission in 2003. Stage 1 of the audit involved an examination of the records and files of the Criminal Justice Commission before the commencement of the *Crime and Misconduct Act 2001*. Stage 2, an audit relating to records and files subsequent to the commencement of the Act, was completed in September 2003. A further audit began in April 2004 and is expected to be completed later in 2004.

In accordance with section 320 of the Crime and Misconduct Act, the Parliamentary Commissioner also completed an Intelligence Data Review, and reported favourably about the CMC's activities in October 2003.

## Other external accountability mechanisms

The CMC is also accountable to the Supreme Court and the Public Interest Monitor 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. This is undertaken on a six-monthly basis through a written report under section 260 of the Crime and Misconduct Act.

Section 347 of the Crime and Misconduct Act provides for the minister to review the Act and the Commission's operational and financial performance. The review must not start sooner than two years after the commencement of the Act. In April 2004 the Premier, in his role as minister responsible for the CMC, advised the Commission that he would be undertaking an operational review which will consider the efficiency, effectiveness, economy and timeliness of the CMC and its systems and processes.

## Legislative compliance

The Office of General Counsel is the CMC's in-house legal service provider, and consists of General Counsel, the Official Solicitor, the Freedom of Information Coordinator and a legal officer.

The office provides independent legal advice to the Commission and operational areas within the CMC on varied topics, including administrative and criminal law, contracts, personal injuries litigation and statutory interpretation. It provides legal representation to the CMC in all actions involving the Commission, including proceedings before courts, tribunals and inquiries.

The Office of General Counsel also:

- > responds to subpoenas and other compulsory processes served on the CMC seeking access to information and documents
- > prepares and coordinates the CMC's submissions to external bodies on various legal issues, including responses to proposed legislative reforms
- > undertakes internal FOI reviews
- > briefs external counsel and solicitors to represent the CMC in appropriate cases
- > arranges representation for the CMC in matters before the Misconduct Tribunals in their original and appellate jurisdiction.

During this reporting period General Counsel participated in a working group to examine cross-border powers.

For many years, law enforcement in Australia has been hampered by the necessity for powers to be exercised largely within state or territory borders. By contrast, organised criminal networks, such as drug cartels and outlaw motorcycle gangs, operate across borders with relative ease. Since 2002, the CMC's General Counsel has represented the Commission on the Joint Working Group on National Investigative Powers, a group established by the Standing Committee of Attorneys-General and the Australian Police Ministers Council and comprising representatives from Commonwealth and state and territory law enforcement and justice bodies.

In November 2003, the Joint Working Group produced a report and model legislation designed to allow cross-border powers to be exercised by law enforcement officers in the areas of controlled operations, assumed identities, witness anonymity and surveillance devices. The group recommended that the model legislation should be adopted by all states and territories and the Commonwealth, with mutual recognition of each other's legislation. This system will allow law enforcement officers to follow organised and major crime investigations across borders and promote a more seamless system of law enforcement in Australia.

## 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 14).

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 dissatisfied with 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 misconduct complainants for access to documents concerning their complaint.

## Privacy

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 ones. As a result, most of the CMC's core activities are excluded from the privacy scheme. In accordance with 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.

## Financial management and performance management

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

Table 14. FOI applications and reviews 2003–04

Applications	
Personal applications received	36
Non-personal applications received	20
Total	56
Access	
Full access granted (personal)	23
Full access granted (non-personal)	4
Partial access granted (personal)	9
Partial access granted (non-personal)	4
Full denial (matter exempt)	1
No documents located	6
Outstanding as at 30 June 2004	5
Withdrawn/lapsed (fee not paid)	4
Reviews	
Internal	4
External	2

the budget process and ensuring that there are appropriate and effective financial management practices. The CMC reports through:

- > the annual Ministerial Portfolio Statement
- > financial statements for inclusion in the annual report
- > an internal budget reporting regime
- > six-monthly reports under section 260 of the Crime and Misconduct Act.

The CMC reports on operational performance through narrative reports and statistical information. Narrative reports on the success of investigations and projects are provided through the annual report, publications and website. Statistical information about the CMC's activities can be found in the annual report. Operational performance targets are reported to the Minister and Queensland Treasury through the CMC's 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. Quarterly performance reports are also provided to Queensland Treasury.

## Resource management

### Staff

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

**Table 15. Staff establishment as at 30 June 2004**

	Approved establishment	Actual staff on hand
Executive	15	13.5
Crime	43	38.4
Misconduct	86	76.4
Witness Protection and Operations Support	54	48
Research and Prevention	27	26.2
Intelligence and Information	54	46.2
Corporate Services	19	20.3
<b>Total</b>	<b>298</b>	<b>269</b>

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 2004 the number of established positions was 298, the same as in the previous year. Actual staff at 30 June was 269 (compared with 282 last year). See *Tables 15 and 16 below*.

### Training

#### Training available under enterprise bargaining agreement

The CMC Certified Agreement 2003 reconfirmed the organisation's commitment to supporting staff in studying towards nationally recognised qualifications. Currently seven staff are enrolled in the Certificate IV in Government; two in the Diploma of Government; two in

**Table 16. Number of established positions within each discipline as at 30 June 2004**

Discipline	No.
Police officers	84
Administrative officers	51
Operational support officers	24
Legal officers	21
Intelligence analysts	18
Financial investigators	17
Registry officers	16
Computer system officers	13
Investigators (civilian)	10
Research officers	13
Strategic management	10
Prevention officers	8
Complaints officers	7
Librarians	2
Technical officers	2
Indigenous liaison officers	2
<b>Total</b>	<b>298</b>

the Diploma of Financial Management; four in the Certificate III in Business (Record Keeping) and one staff member in the Certificate IV in Business (Record Keeping). This represents 21 per cent of eligible staff.

### **Middle Management Development Program**

Delivered in collaboration with the Australian Institute of Management, this program gives participants the opportunity to gain a Diploma of Business through the Business Services Training Package. To date, 16 staff have graduated with a Diploma of Business from the Middle Management Development Program for staff at AO5 to AO8 level.

### **Traineeships**

The CMC continued participating in the Queensland Government's Breaking the Unemployment Cycle initiative, with three trainees undertaking Certificate III traineeships in Business Administration and one trainee continuing with a Certificate III traineeship in Information Technology (General).

### **Indigenous cultural awareness**

The CMC has continued its commitment to delivering cultural awareness training to staff.

### **Staff awards**

In March 2004 the CMC recognised staff who had served the organisation for at least 10 years, and the following awards were given:

#### **For innovation**

Senior Sergeant Bruno Asnicar, and Detective Inspector Brian Hay and the Telecommunications Project Team, received awards for innovation. Senior Sergeant Asnicar's award was for identifying the kind of technology that makes it possible to locate people who are using Internet chat rooms to prey on children. Thanks to his work, the CMC is now the national leader in the area of electronic surveillance. Detective Inspector Hay was recognised both for developing an innovative database to facilitate complex and protracted investigations and for inspiring team members to adopt the new system over traditional methods of data collection. Members of a telecommunications team — Graeme Catling, Dan McBride, Chris Tan and

Ken Jones — received an award for designing and implementing a new communications infrastructure for the CMC.

#### **For leadership**

Susan Sinclair from the Information Retrieval Unit received this award for showing outstanding leadership during the implementation of a centralised information retrieval service within the CMC.

#### **For work achievement**

Administration Manager Don Jeppesen and Executive Assistant (Crime) Therese Flynn received awards for the outstanding way they managed the process of moving Crime staff from Milton to Terrica Place in 2003.

Members of the CMC's Egret Team — Senior Sergeant Bruno Asnicar, Sergeant Jason Hindmarsh, Sergeant Brett Lee, Jacqui Lukis, Senior Constable Lisa McDonald, Anne Philtrip and Sophie Lieberman — were recognised for their dedication and commitment to the investigation of criminal paedophilia.

Records Manager Janet Legg received an award for efficiently implementing a new records management system for the entire organisation.

Senior Research Officer Dr Margot Legosz and Senior Misconduct Prevention Officer Ray Bange were recognised for their work on Project Kingston, the public inquiry into the handling of sexual offence matters by the criminal justice system, and for the inquiry's highly influential report *Seeking justice*, published in June 2003.

The many members of the Foster Care Inquiry Team were recognised for their dedication and commitment to the comprehensive inquiry into the foster care system in Queensland, which resulted in the report *Protecting children*. The award was accepted on behalf of everyone involved in the team by representatives:

- Senior Legal Officer Darielle Campbell, leader of the two misconduct investigations Zellow and Ghost
- Deputy Director, Research and Prevention, Mark Lynch, leader of Project Park, which dealt with the more general question of how the foster care system in Queensland could be made to operate more effectively
- Deputy Director, Misconduct, Warren Strange, leader of Project Lucid, which drew together the investigations and the research
- Publications Manager Monica Chaplain, who led the effort to publish the *Protecting children* report.



### For client satisfaction

This award was presented to:

- Systems Administrator Natalie Fox, for helping the QPS's Ethical Standards Command develop a database for managing complaints
- Administrative Officer Margaret Bourne, for exceptional service to staff and callers to the switchboard over 13 years of service
- Security Officer Kevin Alexander, for exceptional client service to staff and visitors over 13 years of service.

### Business practices

The CMC contracted the services of five external providers at a total cost of \$67 854 (see Table 17, next page).

### Communications

Effective communication is essential to the CMC's success in combating major crime and improving public sector integrity. It is the vital link that joins the CMC with its stakeholders, motivates staff performance and loyalty, and shapes the public's perception about the organisation.

The CMC encourages open communication with its stakeholders within the constraints of the *Crime and Misconduct Act 2001*. The organisation acknowledges that its stakeholders are many and varied, and strives to provide



*Security Supervisor Kev Alexander, pictured with the Chairperson, was honoured for exceptional client service to staff and visitors. Kev, who retired in April 2004, earned the highest respect and regard from everyone at the CMC.*

relevant, timely and accurate information to all those concerned. It understands that, to achieve effective external communication, it must first ensure high-quality and timely internal communication. The CMC recognises that effective communication requires careful planning and well-managed execution, and



*Among the staff members recognised for at least 10 years of service were (from left): Amanda Austin, Darlene Reardon, June May, Don Jeppesen and (far right) John Boyd. The presentations were made by Chairperson Brendan Butler SC (second from right).*

encourages everyone within the organisation to be responsible for communicating well. Any contact with stakeholders is seen as an opportunity to promote the CMC's professional image.

## Output for the year

In early 2004 the CMC produced a strategic communication plan. This aims to improve internal and external communication, with the ultimate goal of helping the CMC meet the challenge set out in its vision statement. Better communication will mean improved understanding of the CMC's role and increased support for its services.

During this reporting period the CMC produced 22 print publications (compared with 24 in the previous year), with several more close to completion at the end of June 2004 (see *Appendix F for a full list*). In addition, five electronic newsletters were issued to Queensland public sector agencies.

Eighty-three media releases were issued (compared with 64 during 2002–03). The CMC also responded to more than 1100 media inquiries — a 22 per cent increase on 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. These included the public inquiry into the foster care system, an investigation into the presence of alcohol on the Queensland Government aircraft at the

Lockhart River airport, an investigation into the prosecution of Pauline Hanson and David Ettridge, and further issues regarding allegations against swim coach Scott Volkens.

The Chairperson and other senior CMC officers gave more than 45 interviews to the media during the year. As part of seeking opportunities to generate an accurate 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.

## Information management

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

The CMC has a five-year Information and Communication Technology Resources Strategic Plan, covering the period 2004–08. This is complemented by a Strategic Recordkeeping Implementation Plan, which was endorsed by Queensland State Archives. The CMC's vision for 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 objectives detailed in the strategic plans are realised through annual operational plans for the management of more immediate projects and initiatives.

**Table 17. Consultancies 2003–04**

Consultant	Description	2003–04 \$ (inc. GST)
<i>Management</i>		
Mercer Human Resource Consulting	Review of Administration Services, Operations Support	3 454
Standards Australia	Review of Complaints Services	29 700
Deloitte Touche Tohmatsu	Review of succession planning and knowledge management	16 500
Sagacity Consulting	Strategic planning workshop	2 200
<i>Professional/Technical</i>		
University of Queensland	Research report relating to foster care of children	16 500
<b>Total</b>		<b>\$67 854</b>

In 2003–04:

- > The external data-communications gateway was upgraded as a preventive measure to better withstand malicious attacks. Server hardware and operating system upgrades further enhanced network infrastructure. Secure remote access facilities were introduced and successfully trialled, and full implementation is expected early in 2004–05.
- > The establishment of new service contracts as identified in the review of the CMC's telecommunications services resulted in significant ongoing cost savings.
- > A new Business Classification Scheme was implemented as a major element of the records management infrastructure, together with new file covers.
- > The CMC continued to improve its major business application, COMPASS, and helped the QPS in its adoption of COMPASS for use in the Ethical Standards Command.
- > New online library facilities were implemented for users, and online information services were enhanced.

## Work of the Commissioners for Police Service Reviews

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).

During this reporting period the Review Commissioners were former Commissioners Mrs Kathryn Biggs, Mrs Dina Browne and Mr Barrie Ffrench, current Commissioner Mr Ray Rinaudo, and practising solicitor Mr Pat Mullins.

**Table 18. Results of matters heard by Review Commissioners 2003–04**

Type	Affirmed	Varied	Set aside	Total
Promotion	43	9	1	53
Transfer	6	1	1	8
Disciplinary	1	2	2	5
Total	50	12	4	66

Review Commissioners consider a matter and provide a written recommendation to the Police Commissioner. If a recommendation is not accepted, the Police Commissioner is required to outline his reasons.

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 highlighted recurrent problems through periodic liaison with the QPS human resource management and the Police Commissioner. Review Commissioners also met with staff from the QPS Central Convenors Unit 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.

Earlier this year the QPS introduced a new selection process for promotion to the rank of Inspector of Police, now making these promotions reviewable.

See also Tables 18–20.

**Table 19. Types of applications lodged 2002–03 and 2003–04**

Type	2002–03	2003–04
Promotion	188	161
Transfer	27	14
Stand-down	–	–
Suspension	5	–
Disciplinary	13	4
Dismissal	–	–
Total	233	179

**Table 20. Status of applications lodged 2002–03 and 2003–04**

Status	2002–03	2003–04
Matters lodged	233	179
Matters withdrawn	122	85
Matters out of jurisdiction	8	7
Matters awaiting hearing	26	38



# 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

## EEO statistics 2003–04

Figure B1. Membership of EEO target groups 2001–02 to 2003–04

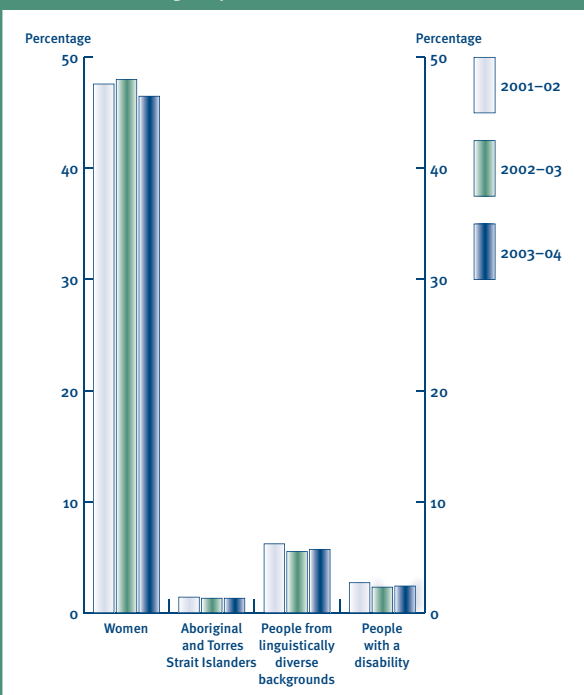


Figure B3. Employees by gender and age as at 30 June 2004

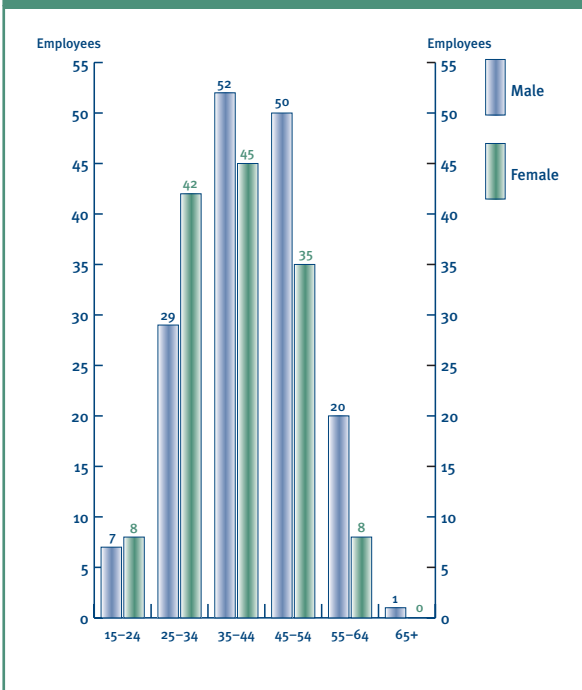


Figure B2. Employees by gender and employment status as at 30 June 2004

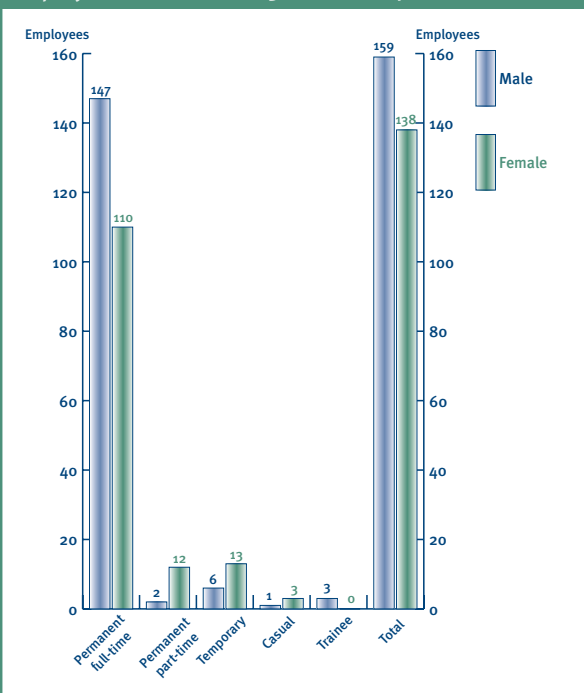
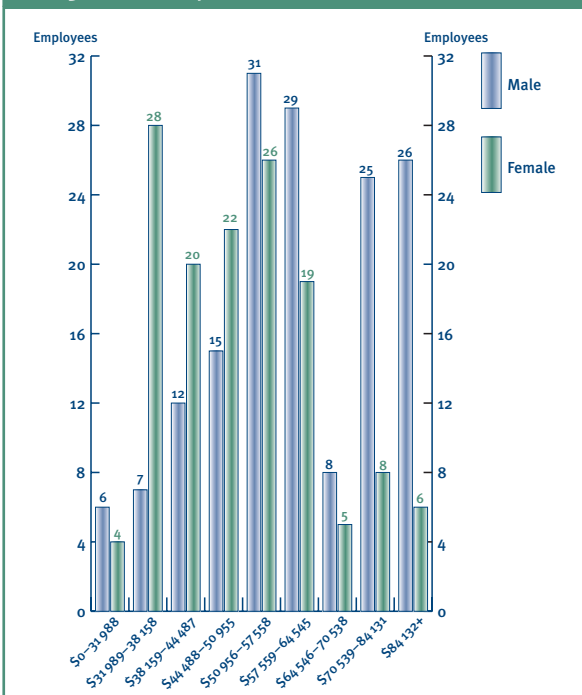


Figure B4. Employees by gender and annual salary as at 30 June 2004



# APPENDIX C

## Significant external presentations 2003–04

When	Topic	Where	Presenter
14.7.03	Continuities in Violence Across the Life-course	8th International Family Violence Research Conference, Portsmouth, New Hampshire, USA	Dr Paul Mazerolle, Director, Research and Prevention
15.7.03	Male Entitlements, Sexual Jealousy and Intimate Partner Violence	8th International Family Violence Research Conference, Portsmouth, New Hampshire	Dr Paul Mazerolle, Director, Research and Prevention
23.7.03		Regional Detectives Conference in Toowoomba	John Richardson, Manager, Proceeds of Crime
31.7.03	On the Beat: An Empirical Study of Police Effectiveness	Australasian Evaluation Society Inc.	Dr Paul Mazerolle, Director, Research and Prevention
8.8.03		Mount Isa Regional Detectives Conference, Mount Isa	Ben Duell, Senior Financial Investigator
8.9.03	Mitigating the Risks – Implementing the Strategies	2003 Asia Pacific Fraud Convention and Trade Show, Gold Coast	Brendan Butler SC, Chairperson
1.10.03		South Eastern Regional Detectives Conference, Loganholme	Angela Pyke, Senior Financial Investigator
1.10.03	Youth Justice: Criminal Trajectories – An Overview	Australian and New Zealand Society of Criminology (ANZSOC) conference, Sydney	Dr Mark Lynch, Deputy Director, Research and Prevention
1.10.03	Continuities in Violence Across the Life-course	ANZSOC conference, Sydney	Dr Paul Mazerolle, Director, Research and Prevention
1.10.03	The Amphetamine User Trajectory – Factors Associated with the Initiation and Desistance of Use	ANZSOC conference, Sydney	Dr Mark Lynch, Deputy Director, Research and Prevention
2.10.03	Handling Complaints Against the Police in Queensland: Past, Present and Future	ANZSOC conference, Sydney	Dr Paul Mazerolle, Director, Research and Prevention
2.10.03	Seeking Justice: The Handling of Sexual Offence Matters by the Criminal Justice System	ANZSOC conference, Sydney	Margot Legosz, Senior Research Officer
20.10.03	Proceeds of Crime	National Confiscation Forum, Melbourne	John Richardson, Manager, Proceeds of Crime
21.10.03	WP applications	South East Asian Organised Crime Task Force (Drug Squad)	Senior Constable Melanie Wilkins

<b>When</b>	<b>Topic</b>	<b>Where</b>	<b>Presenter</b>
22–23.10.03	Intelligence and decision-making	Intel '03 – Annual Conference of the Australian Institute of Professional Intelligence Officers, Canberra	Paul Roger, Director, Intelligence and Information
11.11.03	Policing and Mental Health: A CMC Perspective	Policing and Mental Illness: Best Practice conference, Gold Coast	Dr Paul Mazerolle, Director, Research and Prevention
18.11.03	Child Sex Offenders – Challenges Regarding Internet Based Investigations	QPS Chief Superintendents Forum, Brisbane	Detective Chief Superintendent Jan Lidicky, Director of Operations, Crime
19.11.03	Prevalence of Alcohol and Illicit Drug Use Amongst Emergency Room Attendees	Australian Professional Society on Alcohol and Other Drugs (APSAD) conference, Brisbane	Dr Paul Mazerolle, Director, Research and Prevention
19.11.03	Amphetamines in Queensland Research Project	APSAD conference, Brisbane	Dr Mark Lynch, Deputy Director, Research and Prevention
27.11.03	Principles of Ethical Decision Making	Institute of Internal Auditors, Brisbane	John Boyd, Manager, Misconduct Prevention
11.12.03	Amphetamines	Brisbane West Detectives Conference, Brisbane	Richard Pieper, Intelligence Analyst, Intelligence and Information
2.4.04	Managing fraud and corruption risks	Queensland Transport Senior Management Forum, Brisbane	Brendan Butler SC, Chairperson
6.4.04	Fighting major crime: the role of crime commissions	Policy Ideas Seminar, Brisbane	Brendan Butler SC, Chairperson
26.5.04	Ethics: Do Codes of Conduct Work?	LGMA National Conference, Convention Centre, Melbourne	John Boyd, Manager, Misconduct Prevention
26.5.04	CMC Crime Function incorporating Hearings and Proceeds of Crime	Gold Coast Detectives Conference, Gold Coast	Inspector John Lewis
31.5.04	Supervisory Responsibilities of Managers	Chief Superintendents Conference, Brisbane	Steve Lambrides, Assistant Commissioner, Misconduct
31.5.04–4.6.04	Asset Confiscation Investigation	Western Australian Police Detectives Conference, Western Australia	Ben Duell, Senior Financial Investigator
03.6.04	Integrity at the Top: Ethics in Local Government	2004 Civic Leaders Summit, Brisbane	Brendan Butler SC, Chairperson
20.6.04	Local Government Issues	Local Government Industry Forum, Institute of Internal Auditors International Conference, Sydney	John Boyd, Manager, Misconduct Prevention
22.6.04	Whistleblowing and Ethics: New Commitments and New Strategies – Implications for Internal Auditors	Institute of Internal Auditors International Conference, Sydney	John Boyd, Manager, Misconduct Prevention

# APPENDIX D

## Public interest disclosures received in 2003–04

Section of Whistleblowers Protection Act 1994	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	54	184*	33	84	32	387
16: Public officer complaining of maladministration	3	1*		2		6
17: Public officer complaining of improper management			11	1		12
20: Any person complaining re reprisal	60	204	44	89	32	

*Note: There were 133 complaints received, comprising 429 allegations. This table details the status of the allegations.*

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

# APPENDIX E

## Overseas travel 2003–04

Date of travel	Name of officer	Where	Reason for travel	Cost	Remarks
13.7.03 to 16.7.03	Dr Paul Mazerolle, Director, Research and Prevention	New Hampshire, USA	To attend and present at 8th International Family Violence Research Conference in New Hampshire, USA from 13 to 16 July.	\$4394	The CMC met travel, accommodation and registration expenses associated with Dr Mazerolle's attendance at the conference.
4.8.03 and 8.8.03	Mr Paul Roger, Director, Intelligence and Information	London, UK	Recalled to duty for two days while on leave, for the purpose of visiting UK law enforcement agencies.		No expenses were incurred by the CMC as Mr Roger made his own travel and accommodation arrangements.

# APPENDIX F

## Publications 2003–04

### Parliamentary reports

*Annual report 2002–03*, November 2003.

*An investigation of matters relating to the conduct of the Hon. Ken Hayward MP*, November 2003.

*Protecting children: an inquiry into abuse of children in foster care*, January 2004.

*The prosecution of Pauline Hanson and David Ettridge*, January 2004.

### Research reports

*Public perceptions of the Queensland public service and local government*, November 2003.

*Police pursuits: a law enforcement and public safety issue for Queensland*, November 2003.

*Patterns of amphetamine use: initial findings from the Amphetamines in Queensland research project*, January 2004.

*Listening in: results of a CMC audit of police interview tapes*, April 2004.

*Profiling the Queensland public sector*, June 2004.

### Research and Issues papers

*Child-focused sexual abuse prevention programs: how effective are they in preventing child abuse?*, no. 5, June 2004.

### Building Capacity series

*Answering the charges: guidelines for using corporate cards*, no. 1, August 2003.

*Regulatory risks: minimising misconduct risks in agencies that have regulatory functions*, no. 2, August 2003.

*Cyber traps: an overview of crime, misconduct and security risks in the cyber environment*, no. 3, March 2004.

*In your interest: managing material personal interests*, no. 4, June 2004.

### Prevention Pointers

*Setting ethical standards in local government*, no. 1, June 2004.

*Codes of conduct for councillors*, no. 2, June 2004.

*Dealing with conflicts of interest*, no. 3, June 2004.

*Making and maintaining statements of interests*, no. 4, June 2004.

*Observing the rules in your dealings with council staff*, no. 5, June 2004.

*Managing the receipt of gifts*, no. 6, June 2004.

*Confidential information: how to keep it confidential*, no. 7, June 2004.

*Reporting official misconduct*, no. 8, June 2004.

*Lurks, perks and accountability*, no. 9, June 2004.

*Governance in councils*, no. 10, June 2004.

*Retention and disposal of council records*, no. 11, June 2004.

*False complaints against police*, no. 12, June 2004.

### Web-only reports and papers

*Brisbane River flood levels: a CMC report on the Brisbane City Council's handling of flood study reports*, March 2004.

*Lockhart River allegations: a CMC report on an investigation into allegations of official misconduct arising from the presence of alcohol on the Queensland Government aircraft at the Lockhart River airport*, April 2004.

*Information paper on Police Radio Communication Inquiry*, May 2004.

### E-newsletters

Sent to public sector agencies in August and October 2003, and February, March and June 2004.

### In-confidence Intelligence Digests

Distributed to law enforcement agencies in November 2003 and March 2004.

### Other

*Facing the facts: a CMC guide for dealing with allegations of official misconduct in public sector agencies*, March 2004.

*E-Edition*, August 2003.

*Recovering the proceeds of crime*, Fact Sheet no. 11, August 2003.



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# FINANCIAL STATEMENTS

There are four key parts to these financial statements for the period ending 30 June 2004:

- > statement of financial performance (revenues and expenses)
- > statement of financial position (balance sheet)
- > statement of cash flows
- > 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. Approximately 98 per cent of the CMC's revenue is derived from government grants. For the year ended 30 June 2004, the CMC recorded a surplus of \$225 055. This rounded down to \$225 000.

## 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 the end of the reporting period, showing what assets were held, what amounts were owing to creditors and staff, and the surplus of assets over liabilities – in other words, the equity of the CMC.

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

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

- > *Cash* is the closing balance of all the CMC's bank accounts as at 30 June.
- > *Receivables/debtors* represent the amounts of cash the CMC was owed at 30 June and is confident of receiving. The Australian Taxation Office is the CMC's biggest debtor, owing it \$221 000 (of the total receivables \$292 000 at 30 June) for GST input tax credits – that is, the refund of GST that has been paid to suppliers and government departments.
- > *Prepayments* occur when payments are made in advance of receiving the services or goods. An example would be an annual membership or maintenance agreement that still has effect after 30 June. The proportion of these payments in advance that relates to periods

after 30 June becomes the prepayment. (This year it was \$247 000.) Prepayment amounts are expensed in the following financial year.

*Non-current assets* are those assets that an organisation does not plan to convert into cash within the next 12 months. In the CMC's case, non-current assets of \$4 657 000 include property, plant and equipment, and leasehold improvements. The CMC leases its accommodation.

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

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

*Current liabilities* are debts that an organisation plans to repay within the next 12 months. In the CMC's case, \$1 143 000 in current liabilities relate to payables (creditors), provisions and lease incentives.

- > *Payables or creditors* are debts accrued by purchasing goods and services on credit. The CMC policy is to pay all invoices before their due date, to take advantage of any benefits such as discounts for prompt payment. Suppliers are actively encouraged to accept electronic funds transfers (EFT) instead of cheque payments, to reduce the CMC's administrative overheads.
- > *Provisions* of \$1 250 000 have been set aside to cover employees' accumulated annual leave entitlements as at 30 June. The CMC does not need to provide for its employees' long-service leave entitlements because they are provided for within the QSuper fund, which is administered by Queensland Treasury and funded by a levy each fortnight on the payroll.
- > *Lease incentive liability.* During 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, the organisation is required to treat this incentive as a liability (borrowing). This liability is then reduced each year by treating part of the lease instalments payable as a repayment. The amount of \$531 000 shown as a current liability represents that part of the liability or borrowing that will be reduced by lease instalments during 2004–05.

*Non-current liabilities* are those liabilities where an organisation has no legal requirement to repay the debt within the next 12 months. In the CMC's case, non-current liabilities of \$1 354 000 relate entirely to the lease incentive. It represents that part of the liability or borrowing that will still be outstanding at 30 June 2005 (that is, will not be extinguished in the next 12 months).

**Net assets.** The figure for the CMC's net assets of \$5 165 000 (\$4 931 000 last year) is the difference between total assets and total liabilities. The assets value exceeds the liabilities. Further, a good test of an organisation's financial health is its liquidity ratio (also known as the current ratio, because it compares current assets to current liabilities), for which the CMC has a ratio of 1.77 to 1.

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

The capital/equity contributions of \$4 240 000 relate to the closing equity balances of the CJC and QCC as at 31 December 2001. The closing balances of those organisations became the opening balances of the CMC.

The accumulated surplus of \$925 000 is derived from the \$225 000 current year's operating surplus, generated from the statement of financial performance plus prior year's operating results.

### 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 2004, expenditure for leasehold improvements to Terrica Place has returned to normal levels at \$159 000 (\$1 324 000 last year), after major renovations were completed in the prior year.

As a check, the cash at the end of the reporting period, as shown in the cash flow statement, must always be equal to the cash at bank in the 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 2004

		2004	2003
	Notes	\$'000	\$'000
<b>Revenue from ordinary activities</b>			
Contributions and grants	1(b) 2(a)	31 433	30 553
Interest	1(g)	368	352
Services received below fair value	1(b)	-	31
Gains from sale of assets	1(b)	51	46
Other revenue	1(b)	108	44
<b>Total revenue from ordinary activities</b>		<b>31 960</b>	<b>31 026</b>
<b>Expenses from ordinary activities</b>			
Depreciation	1(d) 2(b)	1 611	1 420
Employee expenses	2(d )	22 973	21 964
Operating expenses	2(c)	6 859	7 581
Loss from sale of assets	1(b)	18	21
Expense arising from change in accounting policy	1(m)	274	-
<b>Total expenses from ordinary activities</b>		<b>31 735</b>	<b>30 986</b>
<b>Net result for the reporting period</b>	12	<b>225</b>	<b>40</b>

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

# Crime and Misconduct Commission

## Statement of financial position as at 30 June 2004

		2004	2003
	Notes	\$'000	\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash assets	1(e) 3	3 716	2 864
Receivables	1(f) 4	292	275
Other assets	5	247	362
<b>Total current assets</b>		<b>4 255</b>	<b>3 501</b>
<b>Non-current assets</b>			
Property, plant and equipment	1(c) 6	1 790	2 323
Leasehold improvements	1(c) 7	2 867	3 481
<b>Total non-current assets</b>		<b>4 657</b>	<b>5 804</b>
<b>TOTAL ASSETS</b>		<b>8 912</b>	<b>9 305</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	1(h) 8	612	820
Provisions	1(i) 9	1 250	1 215
Other	10	531	492
<b>Total current liabilities</b>		<b>2 393</b>	<b>2 527</b>
<b>Non-current liabilities</b>			
Other	10	1 354	1 847
<b>Total non-current liabilities</b>		<b>1 354</b>	<b>1 847</b>
<b>TOTAL LIABILITIES</b>		<b>3 747</b>	<b>4 374</b>
<b>NET ASSETS</b>		<b>5 165</b>	<b>4 931</b>
<b>EQUITY</b>			
Contributed capital	11	4 240	4 231
Accumulated surplus	12	925	700
<b>TOTAL EQUITY</b>		<b>5 165</b>	<b>4 931</b>

*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 2004

	2004 \$'000	2003 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
LSL levy	(3)	(10)
Government contributions	31 472	30 553
Interest	352	353
GST received from customers	38	28
GST input tax credits received	1 582	1 749
Other	103	26
	<b>33 544</b>	<b>32 699</b>
<b>Payments</b>		
Employee expenses	(23 172)	(21 411)
Supplies and services	(4 636)	(5 186)
Other	(2 527)	(2 856)
GST paid to suppliers	(1 574)	(1 672)
GST remitted to ATO	(33)	(35)
	<b>(31 942)</b>	<b>(31 160)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>1 602</b>	<b>1 539</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of plant and equipment	223	233
Payments for purchases of plant and equipment	(814)	(871)
Payments for leasehold improvements	(159)	(1 324)
<b>Net cash provided by (used in) investing activities</b>	<b>(750)</b>	<b>(1 962)</b>
<b>Net movement in cash</b>	<b>852</b>	<b>(423)</b>
Cash at beginning of financial year	2 864	3 287
Cash at end of financial year	<b>3 716</b>	<b>2 864</b>

*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 2004

### 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*, Financial Management Standard 1997, applicable Australian Accounting Standards, Urgent Issues Group Abstracts and Statements of Accounting Concepts.

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

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

##### *Accounting policies*

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

##### *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*

The value of services received free of charge is recognised as revenue when received.

##### *Government contributions*

Government grants and contributions are recognised as operating revenue on receipt or when an entitlement is established, whichever is the sooner, and disclosed in the statement of financial performance as *government contributions*.

##### *Sale of assets*

The profit or loss on sale of an asset 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 2004

### Note 1: Significant accounting policies, cont.

#### (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 consideration 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 \$2000 (\$1000 in 2002–03), 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 Commission.

##### *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 leasehold premises at Terrica Place have been capitalised as leasehold improvements and, in accordance with AASB 1021, Depreciation, are being depreciated over the term of the lease.

# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

### Recoverable amount

The carrying amounts of non-current assets recorded at cost are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of the asset exceeds the recoverable amount, the asset is written down to the lower amount with the write-down expensed through the statement of financial performance.

### (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.

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

Class	Periods
<b>General and technical equipment</b>	
General	7 years
Technical	5 years
<b>Computer equipment</b>	
On four year replacement cycle	4 years*
Other	3 years
<b>Motor vehicles</b>	<b>5 years</b>
Leasehold improvements Terrica Place (initial period)	7.75 years
Leasehold improvements other	4.68 years

\* The depreciation period of some computer equipment was increased from three years to four years during the year. This was to align the life of the equipment with the warranty period on this equipment, because Commission policy is to dispose of certain computer equipment at the end of the warranty period.

### (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. It also includes liquid investments with short periods to maturity that are convertible to cash on hand at the Commission's option and that are subject to low risk of changes in value.



# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

### Note 1: Significant accounting policies, cont.

#### (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 revenue is 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 and not subject to interest charges; payments are normally made within 30 days of invoice receipt.

#### (i) Employee benefits

##### Annual leave

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

##### Sick leave

Sick leave is expensed as incurred.

##### Long-service leave

Under the State Government's long-service leave scheme a levy is made on the Commission to cover this expense. Amounts paid to employees for long-service leave are claimed from the scheme as and when leave is taken.

No provision for long-service leave is recognised in the financial statements, the liability being held on a whole-of-government basis and reported in the financial report prepared in accordance with 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, on the basis of advice received from the State Actuary, determines employer contributions for superannuation expenses.

# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

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 in accordance with 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 that will be offset against lease instalments payable over the term of the lease.

### (l) Insurance

The Commission is insured by the Queensland Government Insurance Fund for property and general liability.

### (m) Change in accounting policy

The Commission resolved to increase its asset recognition threshold from \$1000 to \$2000. This resulted in the write-off of 499 assets with a written down value at 31 May 2004 of \$273 827.

### (n) Adoption of International Financial Reporting Standards

The Financial Reporting Council has determined that all entities preparing general-purpose financial statements will apply the Australian equivalents to International Financial Reporting Standards (IFRSs) for reporting periods beginning on or after 1 January 2005.

The Commission has established an IFRS Steering Committee and Work Group to assist in the implementation of the new reporting requirements. All pending Australian equivalents to IFRSs are being progressively reviewed for possible implications on policies, procedures, systems and financial impacts arising from such changes.

To date, the Commission has identified the following key difference in accounting policies which will arise from the adoption of Australian equivalents to IFRSs:

- > The introduction of pending AASB 136, Impairment of Assets, will require an annual impairment test to be performed on all non-current physical assets. This may result in a write-down of the value of plant and equipment.

The dollar values of the above changes cannot be reliably estimated at the date of this report.

Policy decisions made at a whole-of-government level in relation to the limiting of options in the Australian equivalent to IFRSs may have additional impacts on financial reports prepared using these standards.

# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

### Note 2: Statement of financial performance — disclosures

	2004	2003
	\$'000	\$'000
<b>(a) Contributions and grants</b>		
Government	31 361	30 533
Other	72	20
	<b>31 433</b>	<b>30 553</b>
<b>(b) Depreciation</b>		
Motor vehicles	158	168
Computer equipment	315	412
General and technical equipment	344	330
Leasehold improvements	794	510
	<b>1 611</b>	<b>1 420</b>
<b>(c) Operating expenses</b>		
Rental expense — operating lease	2 527	2 855
Auditors remuneration — Queensland Audit Office	35	31
Communications	293	322
Computer software/services	308	277
Consultants	62	56
Contractors	78	87
Contract support	59	146
Electricity	114	117
Employment agency staff	87	105
Equipment — non-assets	147	114
Information retrieval and access	168	210
Legal	208	373
Maintenance	376	258
Motor vehicles	288	226
Operational expenses	538	505
Printing, stationery and office supplies	285	258
Other supplies and services	429	601
Goods provided below fair value	0	31
Project costs	95	126
Security	245	241
Travel	451	550
Other	66	92
	<b>6 859</b>	<b>7 581</b>

# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

	2004	2003
	\$'000	\$'000
<b>(d) Employee expenses</b>		
Salaries and wages	17 524	16 909
Employer superannuation contributions	2 325	2 169
Annual leave	1 138	899
Long-service leave	275	265
Other employee-related expenses	1 711	1 722
	<b>22 973</b>	<b>21 964</b>

The CMC had 269.0 full-time equivalent employees at 30 June 2004 (282.2 at 30 June 2003).

### (e) Revision of accounting estimates

During the year, estimated total useful lives of certain items of plant and equipment were revised. The net effect of the change in the current year was a decrease in depreciation expense of \$16 680.

Assuming the assets are held until the end of their useful lives, depreciation in future years will decrease by \$46 in 2004–05, and will increase by \$37 563 in 2005–06.

### Note 3: Cash assets

Cash on hand	41	41
Cash at bank	763	367
Deposits on call	2 912	2 456
	<b>3 716</b>	<b>2 864</b>

The Commission has provided a \$300 000 bank guarantee under a lease agreement. This amount is included in 'Deposits on call' above.

### Note 4: Receivables

LSL receivable	20	17
GST input tax credits receivable	221	229
Interest receivable	26	10
Other receivables	25	19
	<b>292</b>	<b>275</b>

### Note 5: Other assets

<b>Current</b>		
Prepayments	247	362

# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

### Note 6: Property, plant and equipment

	2004 \$'000	2003 \$'000
Motor vehicles (at cost)	873	780
Less: accumulated depreciation	(253)	(252)
	620	528
Computer equipment (at cost)	971	1 526
Less: accumulated depreciation	(560)	(818)
	411	708
General and technical equipment (at cost)	1 947	2 334
Less: accumulated depreciation	(1 188)	(1 247)
	759	1 087
<b>Total property, plant and equipment</b>	<b>1 790</b>	<b>2 323</b>

### Movements during reporting period

	Motor vehicles	Computer equipment	General and technical equipment
	2004 \$'000	2004 \$'000	2004 \$'000
Asset gross value			
Opening balance	780	1 526	2 334
Purchases	431	223	138
Disposals	(338)	(778)	(525)
Closing balances	873	971	1 947
Accumulated depreciation:			
Opening balance	(252)	(818)	(1 247)
Depreciation expense	(158)	(315)	(344)
Depreciation on assets disposed of	157	573	403
Closing balances	(253)	(560)	(1 188)
<b>Total property plant and equipment</b>	<b>620</b>	<b>411</b>	<b>759</b>

# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

### Note 7: Leasehold improvements

	2004 \$'000	2003 \$'000
<b>Leasehold improvements gross value</b>		
Opening balance	4 857	3 579
Purchases	180	1 345
Disposals	-	(67)
Closing balance	5 037	4 857
<b>Accumulated depreciation</b>		
Opening balance	(1 376)	(877)
Depreciation expense	(794)	(510)
Depreciation on improvements disposed of	-	11
Closing balance	(2 170)	(1 376)
<b>Total leasehold improvements</b>	<b>2 867</b>	<b>3 481</b>

### Note 8: Payables

Trade creditors	253	223
GST payable	5	0
Accrued salaries and wages	189	427
Accrued long-service leave levy	45	49
Other employee-related expenses	120	118
Other	-	3
	<b>612</b>	<b>820</b>

### Note 9: Employee benefits

Current		
Employee benefits — annual leave	1 250	1 215
Movements in provisions		
Balance 1 July	1 215	1 087
Additional provisions recognised	1 142	899
Reductions in provisions as a result of payments	(1 098)	(771)
Reductions in provisions as a result of transfer	(9)	-
Balance as at 30 June	<b>1 250</b>	<b>1 215</b>

### Note 10: Other liabilities

Current		
Unearned revenue	39	-
Lease incentive	492	492
	<b>531</b>	<b>492</b>
Non-current		
Lease incentive	1 354	1 847
	<b>1 354</b>	<b>1 847</b>



# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

### Note 11: Contributed capital

	2004	2003
	\$'000	\$'000
Balance at the beginning of the reporting period	4 231	4 231
Non-appropriated equity adjustment	9	–
Balance at the end of the reporting period	4 240	4 231

### Note 12: Accumulated surplus

Balance at the beginning of the reporting period	700	660
Net surplus	225	40
Balance at the end of the reporting period	925	700

### 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	41
Cash at bank	763	367
Deposits on call	2 912	2 456
	3 716	2 864

#### (b) Reconciliation of net cash from operating activities to net result for the period

Net result for the period	225	40
Non-cash items:		
Depreciation expense	1 611	1 420
Other non-cash transactions adjustment	285	59
Change in operating assets and liabilities:		
(Decrease) Increase in LSL payable	(4)	3
Decrease in lease capitalisation	(492)	(492)
(Increase) Decrease in interest receivable	(16)	1
Increase in LSL reimbursement receivable	(3)	(10)
Increase in other receivable	(5)	(19)
Increase (Decrease) in GST payable	5	(5)
Decrease in GST input tax credits receivable	8	77
(Increase) Decrease in prepayments	114	(77)
Increase in accounts payable	30	90
(Decrease) Increase in salaries payable	(242)	303
Increase in other employee related expenses	2	21
Increase in provision for annual leave	45	128
Increase in grant in advance	39	0
Net cash provided by operating activities	1 602	1 539

# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

### 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 2004		Non-interest-bearing		Total carrying amount as per statement of financial position	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Average interest rate (%)	4.15	4.5	5.20	n/a				
Financial assets								
Cash	2 675	2 823	1 000	0	41	41	3 716	2 864
Receivables	0	0	0	0	292	275	292	275
Other assets	0	0	0	0	247	362	247	362
Total financial assets	2 675	2 823	1 000	0	580	678	4 255	3 501
Financial liabilities								
Payables	0	0	0	0	612	820	612	820
Total financial liabilities	0	0	0	0	612	820	612	820

#### (b) Net fair value

Financial instrument	Total carrying amount as per statement of financial position		Aggregate net fair value	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Financial assets				
Cash	3 716	2 864	3 716	2 864
Receivables	292	275	292	275
Other assets	247	362	247	362
Total financial assets	4 255	3 501	4 255	3 501
Financial liabilities				
Payables	612	820	612	820
Total financial liabilities	612	820	612	820

# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

### Note 14: Financial instruments, cont.

#### (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 Commission contributes to public sector accountability and to the administration of criminal justice in Queensland.

### Note 16: Commitments

	2004 \$'000	2003 \$'000
<b>Capital commitments</b>		
At 30 June the Commission had the following capital commitments inclusive of GST:		
<i>Details of items</i>		
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
<b>Operating commitments</b>		
<b>Lease commitments</b>		
<i>Details of items</i>		
Premises		
Outstanding premises lease commitments are likely to be exercised as follows.		
Payments due:		
within one year	2 358	2 254
one to five years	7 246	9 604
	<b>9 604</b>	<b>11 858</b>
<b>Vehicles</b>		
Outstanding vehicle lease commitments are likely to be exercised as follows.		
Payments due:		
within one year	250	270
one to five years	129	64
	<b>379</b>	<b>334</b>

# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

Other significant operating commitments		
At 30 June the Commission had the following operating commitments inclusive of GST:		
<i>Detail of items</i>		
Operating supplies and services		
Outstanding operating commitments are likely to be exercised as follows.		
Payments due:		
within one year	76	74
	76	74

### Note 17: Contingent liabilities

#### Litigation in progress

As at 30 June 2004, there were two cases unfinalised. As these matters are still at an early stage, the Commission's legal advisers believe it would be misleading to estimate the final costs and damages (if any) payable in respect of this litigation.

### Note 18: Superannuation

The CMC contributes in respect of its employees to the State Public Sector Superannuation Scheme (QSuper).

The total contribution to the QSuper fund during 2003–04 was \$2 325 084 (compared with \$2 164 306 in 2002–03).

As at 30 June 2004, there were no outstanding contributions payable to the fund and 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 and specified executives

This includes remuneration received, or due and receivable, by Commission members and specified executives of the Commission in connection with the management of the CMC. The Chairperson, Commissioners and specified executives are eligible to become members of a superannuation plan established under the *Superannuation (State Public Sector) Act 1990*.

# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

### Note 19: Remuneration of Commissioners and specified executives, cont.

#### (a) Chief Executive's remuneration

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

	Superannuable salary	Employer superannuation and leave loading	Total remuneration
	\$	\$	\$
2004	268 648	36 301	304 949
2003	249 615	33 322	282 937

#### (b) Commissioners' remuneration

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

	2004	2003
	\$	\$
Mrs Sally Goold	37 988	37 799
Mr Ray Rinaudo*	43 639	47 364
Prof. Margaret Steinberg	37 998	37 799
Hon. William Pincus #	51 537	37 799

\* Mr Rinaudo is also appointed a Commissioner for Police Service Reviews under the Police Service Administration Act and received an additional \$5641 (compared with \$9565 in 2002–03), including superannuation, for duties performed in that role.

# This amount includes an allowance for acting as Chairperson during periods of absence of the incumbent.

# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

### (c) Specified executives' remuneration

Superannuable salary paid to specified executives:

	Superannuable salary	Employer superannuation and leave loading	Total remuneration
	\$	\$	\$
Assistant Commissioner, Crime	148 139	20 818	168 957
Assistant Commissioner, Misconduct	148 139	20 818	168 957
Executive Director	120 984	17 002	137 986
Director, Intelligence and Information	114 498	16 090	130 588
Director, Research and Prevention	104 350	14 669	119 019

The executives' conditions of employment also include entitlement to private use of a motor vehicle and public service leave. The executives are not eligible to be considered for performance bonuses.

### Note 20: Money held in trust

At 30 June 2004, the Commission held \$3 871 (compared with \$3 861 last year) in trust for a number of people as a result of operational activities. As the Commission performed only 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

There were no special payments made by the Commission during the 2003–04 year.



**Crime and Misconduct Commission**  
**Notes to and forming part of the financial statements**  
**for year ended 30 June 2004**

**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 2004 and of the financial position of the Commission at the end of that year.

Stephen Firth  
Finance Manager  
Date: 24.9.04

Brendan Butler SC  
Chairperson  
Date: 24.9.04

# Crime and Misconduct Commission

## Notes to and forming part of the financial statements for year ended 30 June 2004

### 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 2004 included on the Crime and Misconduct Commission's website. The Commission is responsible for the integrity of the Crime and Misconduct Commission'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/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 Crime and Misconduct Commission, 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 and forming part of the financial statements and certificates given by the Chairperson and officer responsible for the financial administration of the Crime and Misconduct Commission, for the year ended 30 June 2004.

#### *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 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 are presented 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 s. 46G of the *Financial Administration and Audit Act 1977* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Crime and Misconduct Commission for the financial year 1 July 2003 to 30 June 2004 and of the financial position as at the end of that year.

V P Manera, FCPA

Deputy Auditor-General

(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office

Brisbane